

CEER public consultation on the regulatory aspects of wind integration

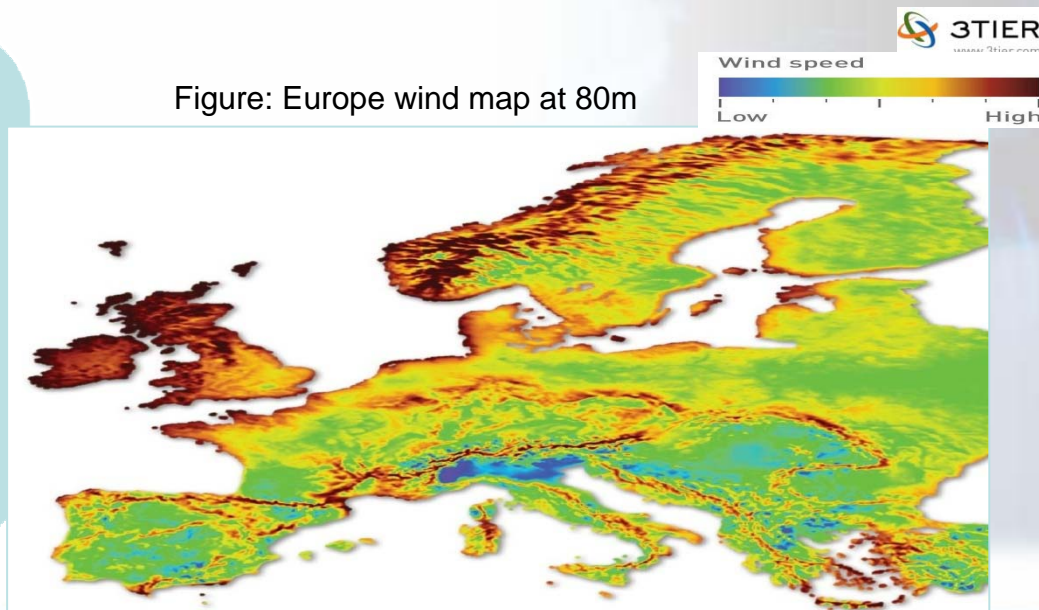
Mr Martin Crouch, Chair of SDE-TF, CEER
Florence Forum, Rome, 11 December
2009

CEER wind integration report (1)

- **Regulators recognise that expected increases in wind, owing to its intermittency, will give rise to issues for the market and network arrangements...**

In addressing these issues, CEER have published a consultation document which explores some of these issues....

Figure: Europe wind map at 80m



CEER wind integration report (2)

- The report seeks to
 - Highlight areas which may warrant further discussion;
 - Provide a review of how wind is treated among Member States; and
 - Solicit feedback – this will also input into other areas of work.
- We establish that
 - Explicit subsidies for wind generation, where required, should be separate from market and network arrangements;
 - Market and network arrangements should encourage the integration of wind – and not present an undue barrier to its deployment; and
 - Harmonisation (compatibility) should help – provided it does not amount to a barrier to wind.

Market arrangements for wind

- Wind generation is more predictable closer to real-time – markets arrangements should encourage wind generation to integrate into the market.

Gate-closure time

- Valid reasons for long GCT?

Cross-border integration

- Helpful to consider the importance of intra-day markets, alongside day-ahead

Balancing and reserves

- Where appropriate, wind's incentives to balance should be equally as strong as conventional generation;
- Cross-border balancing will be increasingly valuable

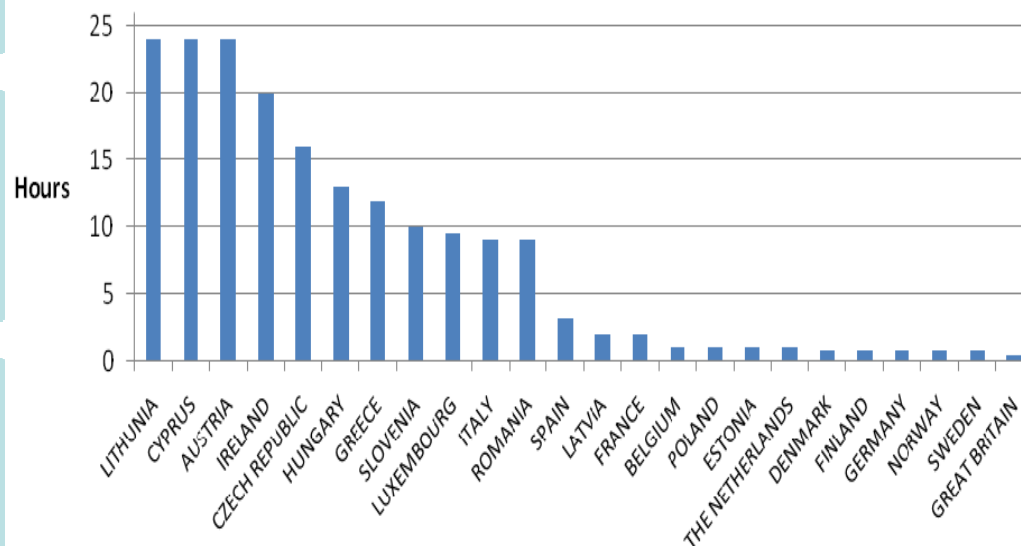


Figure: Time between closure of forward market and real-time delivery

Network arrangements for wind



No undue discrimination

- How can we ensure differences do not distort incentives in locating – uniform charging regime?

Appropriate allocation of risk?

- Can cost-reflective charging, which provides incentive to locate in most appropriate location, allocate the risk?
- How can we encourage TSOs to take increased risk and innovate in developing the network?

Network development

- What role should the 10-year network development plan play in facilitating wind generation?
- How can we encourage government to speed-up the authorisation process?

A European supergrid

For the future – pan-European offshore grid, connecting wind farms and Member States...?

Issues for consideration include...

Who pays

- And who benefits?

Impact of distortions

- Different market and network framework

Different regimes

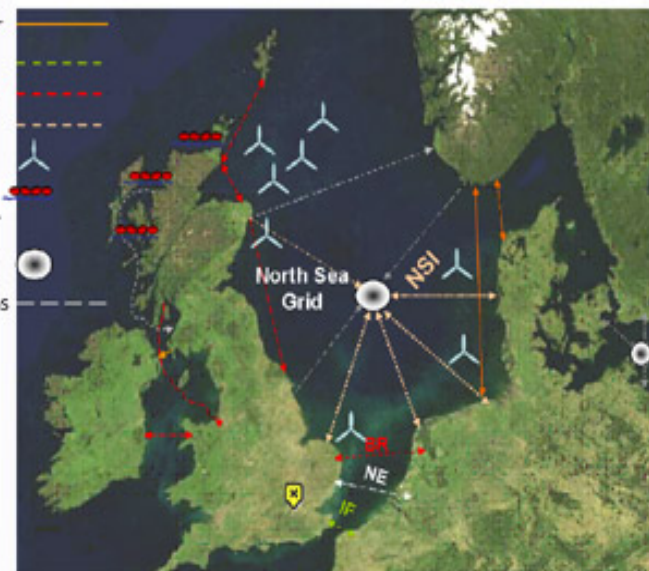
- For interconnection and transmission

Ownership of offshore grid

- Generator versus TSO

Post 2020 - North Sea Grid

Existing interconnector
Under construction
Development projects
Possible grid ring
Proposed wind farm
Proposed wave farm
Potential energy "hub"
Potential interconnections



Source: www.scotland.gov.uk

Regulators have a responsibility to consider these issues – Governments must also consider the compatibility of support schemes.

Next steps

DEC '09

- Publish consultation document

Feb

- Workshop to discuss issues – Brussels.

11 Feb

- Public consultation closes

Q2 '10

- CEER Conclusions paper

- Depending on above, findings could feed into our work on other areas, such as framework GLs, the network development plan, smart grids and smart meters.

We welcome engagement with industry (including the wind, renewables and conventional generation types), consumer groups and other interested parties.

The background of the slide features a faded image of a high-voltage electricity pylon on the left and a gas burner with blue flames on the right, symbolizing energy.

Thank you for your attention!

www.energy-regulators.eu