



Florence Forum
Session 4.3 – Enhancing TSO-DSO
cooperation in active system management
Florence 30-31 May 2018

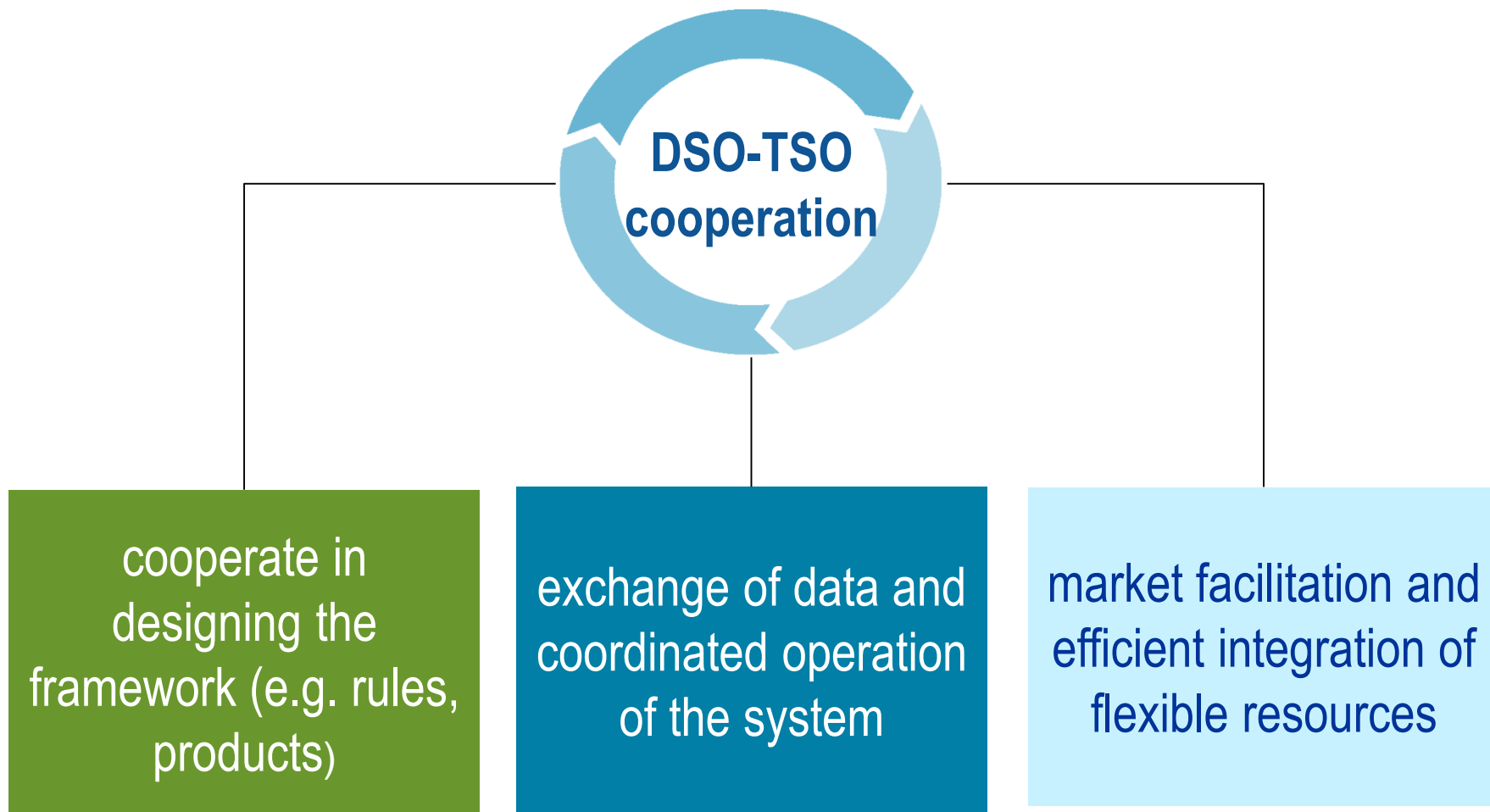
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European Commission



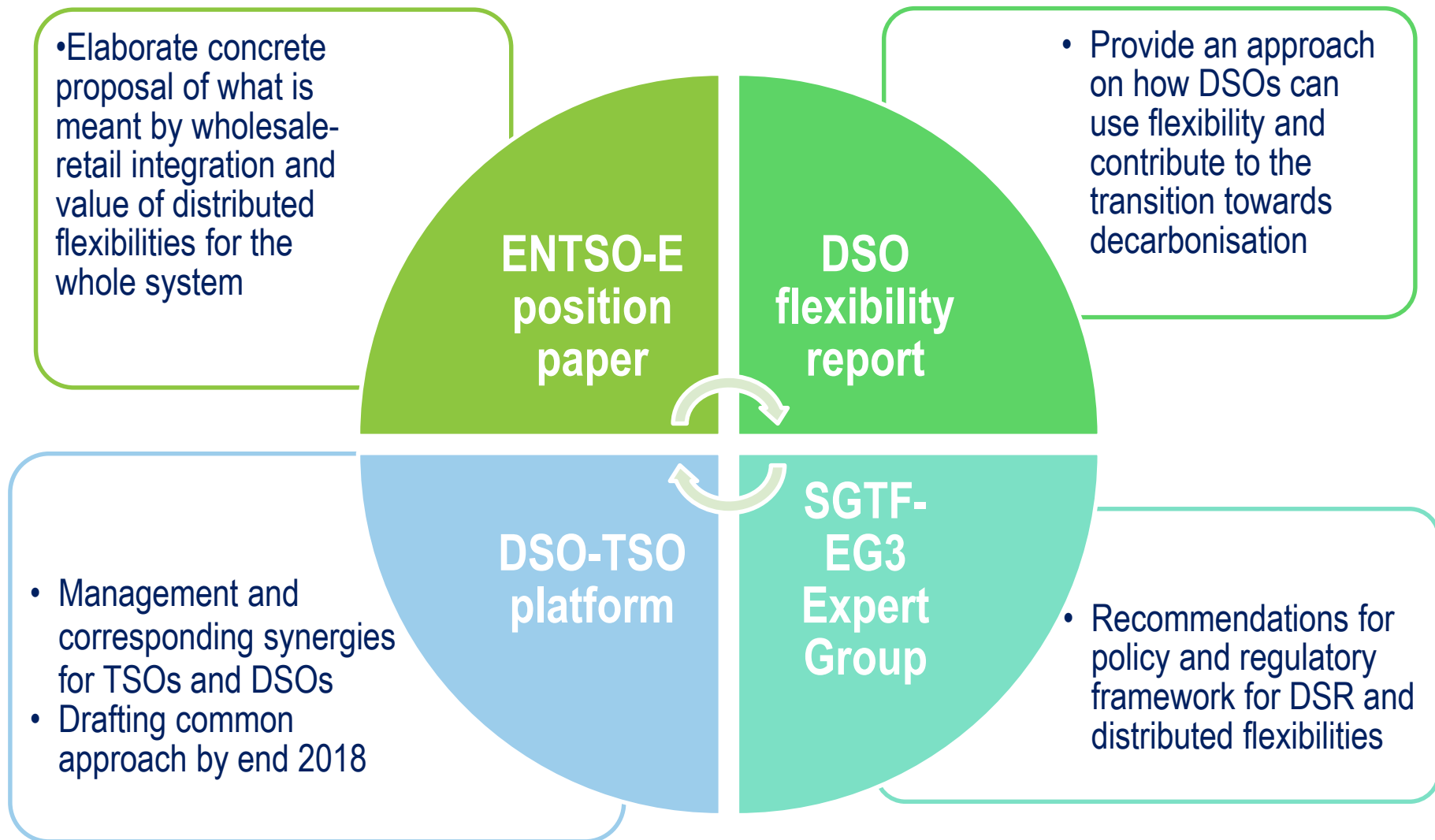
CEP promotes the use of flexibility services

- Allow DSOs to procure flexibility services from distributed energy resources (demand response, local generation, storage and EVs) in order to manage local congestions and solve technical problems (e.g. power quality issues)
- Member States or/and National Regulator Agencies to define the exact regulatory framework, including incentives for DSOs and appropriate remuneration
- Procurement through market based procedures, with definition of required products and technical modalities → level playing field for flexibility providers
- Ask for distribution network development plans, transparent network development with emphasis on RES integration and innovative network solutions

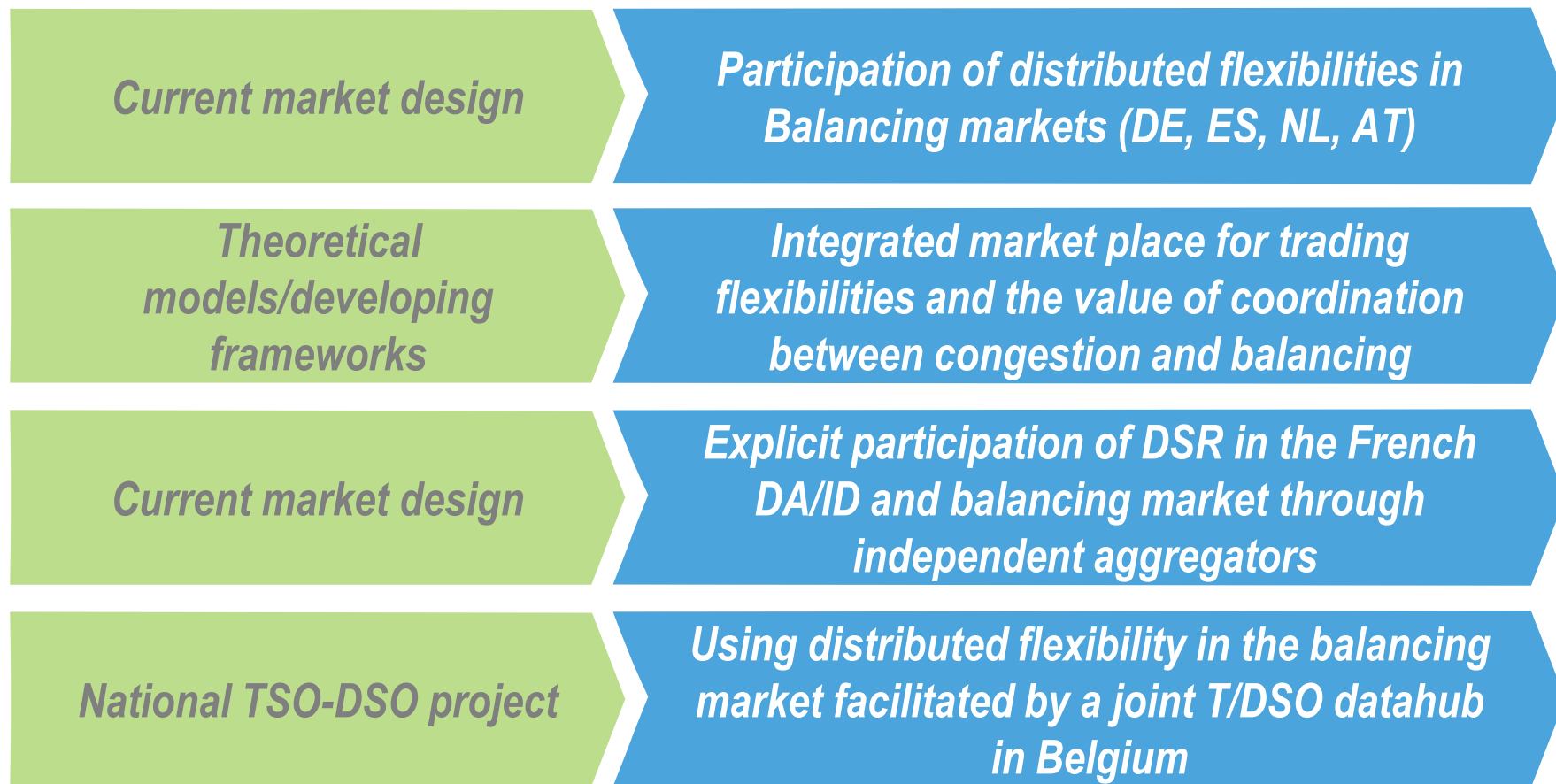
Main challenges for TSO-DSO based on an integrated electricity system approach



Current work on DSF



Some examples of use cases for SGTF-EG3



Questions for the discussion

- I. The CEP provides sound framework for allowing prosumer development, address more local issues and system flexibility, but
 - How will this be arranged? How will distributed flexibility, from parties connected to the distribution grid, be unlocked and used?
 - How will the TSO perform balancing without causing congestions at DSO-level? Who may use which flexibility first? What obstacles currently are preventing better coordination?
 - Where would be the emphasis to ensure a pan-European improvement?
- II. The CEP also proposes a new Network Code for demand side flexibility to build a strong and coherent set of rules to serve a pan-European vision of flexibility markets. What should be the level of harmonisation? Alternatively, could we just adapt the existing Network Codes?
- III. What type of national incentives are been applied to enhance system flexibility? What are the lessons learned and the best practices?



European
Commission



Background information



Ambitious policy framework until 2030 needs a fit for purpose energy market

The EU committed to bringing more renewable energy sources and more interconnected and efficient energy systems by 2020, and accelerate change towards 2030

2020

-20%
GHG
EMISSIONS

20%
RENEWABLE
ENERGY

20%
ENERGY
EFFICIENCY

10%
INTER
CONNECTION

2030

-40%
GHG
EMISSIONS

27%
RENEWABLE
ENERGY

30%
ENERGY
EFFICIENCY

15%
INTER
CONNECTION

Our energy market needs to be re-designed to integrate a growing share of renewable energy sources at the lowest possible cost

TSO - DSO cooperation on congestion management process

Phase	TSO-DSO interaction with market parties		
Preparation	Request for participation on Balancing or CM market from FSP	Engage in prequalification processes	Inform FSP and neighbouring SOs
Planning & forecasting	Receive forecasts from FSP		
Market	Inform FSPs (publish congestion area)	Collect bids from FSP	Inform FSP on accepted bids
Monitoring and activation	Activate bid / inform market party		
Emergency			
Measurements and settlement	Settle with market party		

Where is the need for EU harmonization?

What are the key coordination functions with balancing?

Examples of possible CM/BM coordination

