

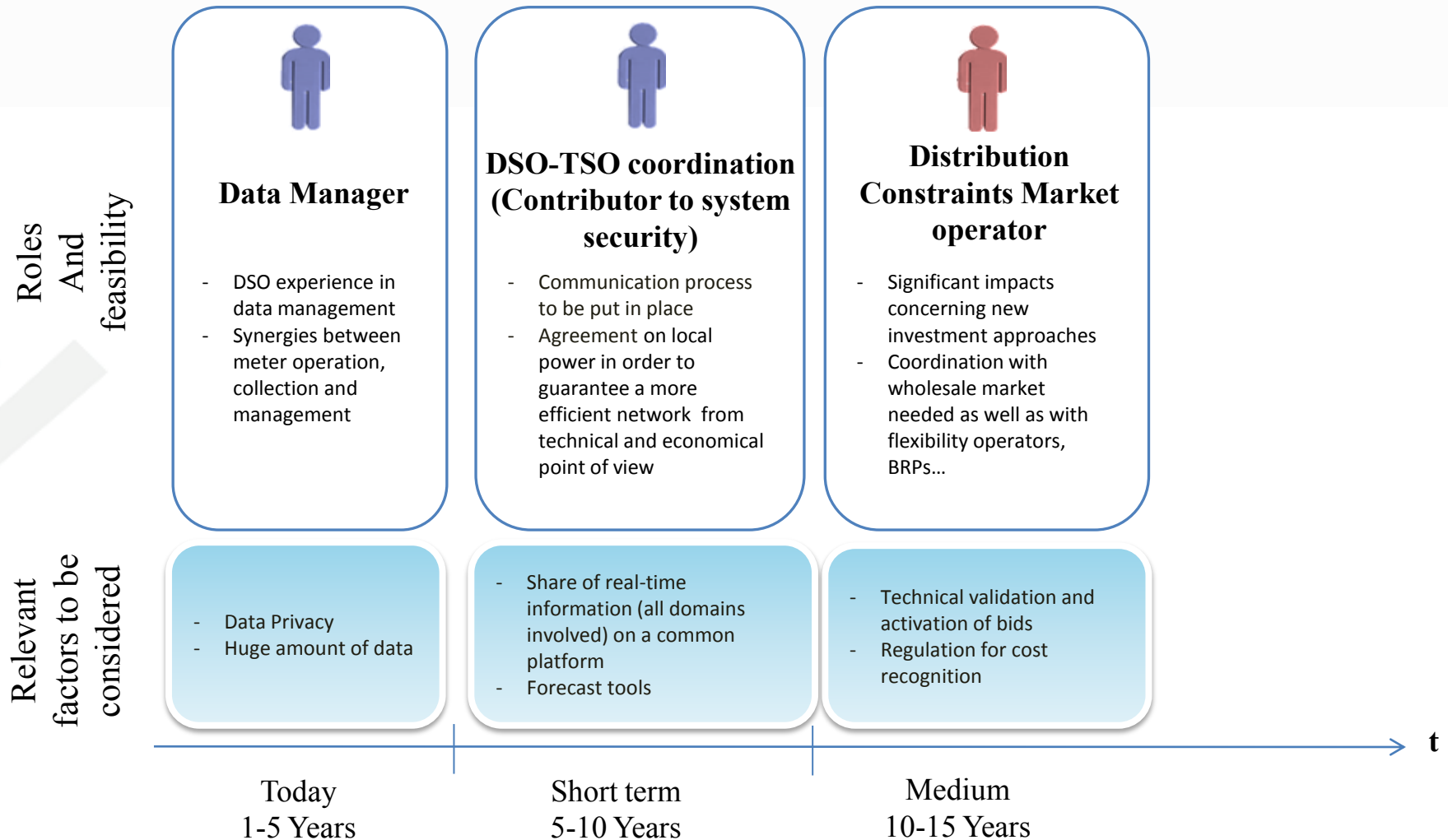
Interaction workshop: Ten questions



Feasibility of the model

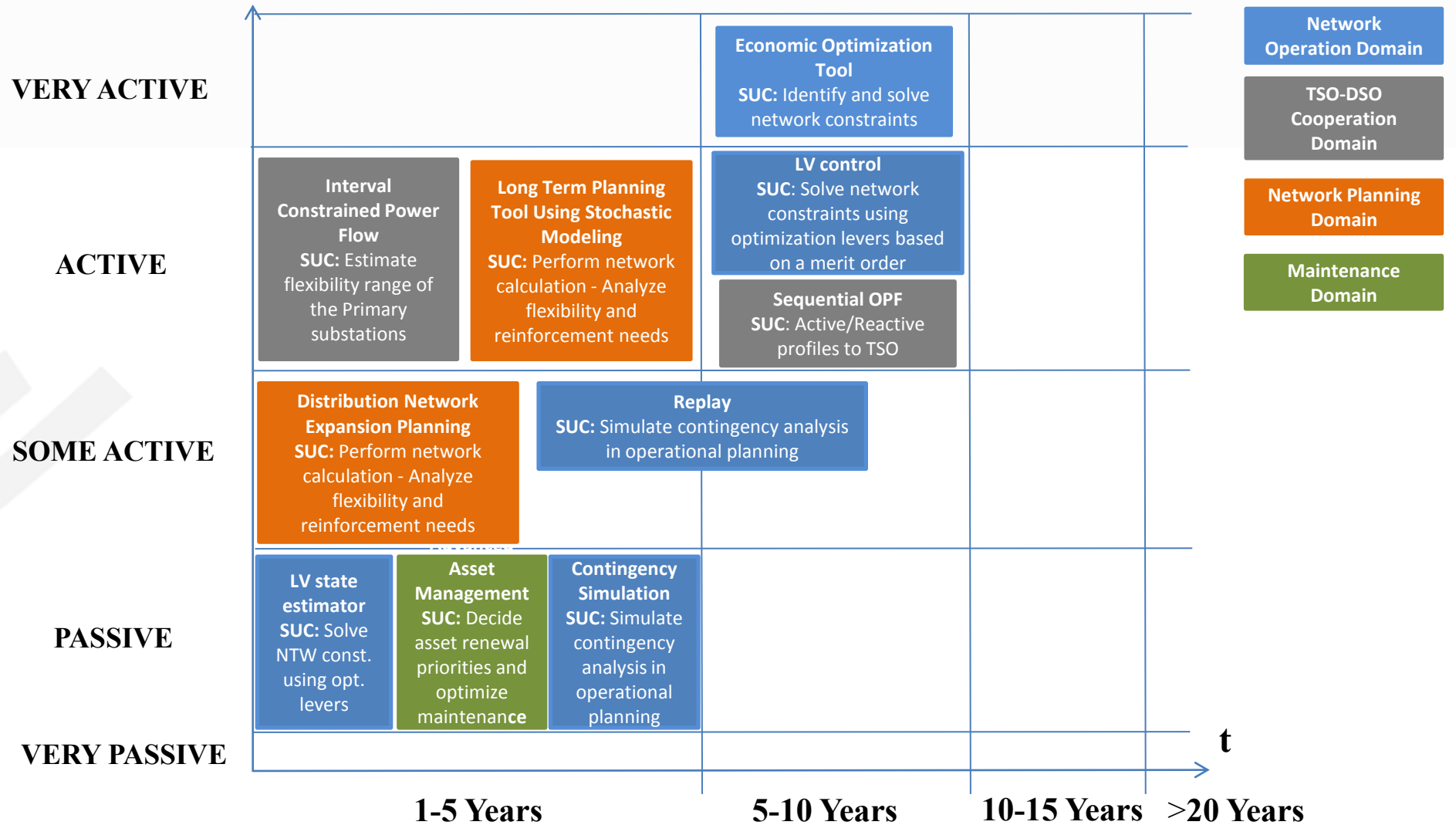
Question 1)

Feasibility of (some of the) DSO roles



Feasibility of the solutions

Question 1)



Question 8: How the coordination of flexibility resources between DSO, TSO, retailer, balance responsible party, etc. should be realized?

- Linked to
 - “D1.3 - Preliminary assessment of the future roles of DSOs, future market architectures and regulatory frameworks for network integration of DRES”
 - available
 - “D1.4 – Assessment of future market architectures and regulatory frameworks for network integration of DRES – the future role of DSOs”
 - to be delivered in second half of 2015
 - Possibilities and their consequences / (dis)advantages
- Next slides: key points of attention when assessing possible configurations for coordination of flexibility resources

Question 8: How the coordination of flexibility resources between DSO, TSO, retailer, BRPs, etc. should be realized? (continued)

- Benefits for all stakeholders:
 - Optimizing parts of the system should contribute to **optimization of the entire system**, supported by the needed information exchange and actions by the involved stakeholders.
 - Flexibility serves multiple purposes, but despite varying timing, technicalities etc, it is in general always used to **maintain energy balance** at all times, while **guarding the grid capacity constraints** to prevent and/or mitigate emergency situations.
 - **Common interest precedes individual interests**: added value of flexibility should be shared by all stakeholders including end users of energy.

Question 8: How the coordination of flexibility resources between DSO, TSO, retailer, BRPs, etc. should be realized? (continued)

- Implications for interactions between different stakeholders:
 - **Entry barriers** for using/offering flexibility: as **low** as possible.
 - Need for **traceability & transparency of flexibility + flexibility platforms/markets**: avoid free-riding/gaming behavior (fairness, lock-ins, impact BRP portfolios, exclusivity of pieces of flexibility, locality)
 - **Grid constraints precede**: ≠ SOs do not need to take action or SOs have priority access at all times, but more an operational guideline while keeping an eye on incentives for the long term target (cost-efficient, sustainable grid infrastructure and management)
 - **TSO – DSO** interaction with respect to flexibility: **common assessment of impact and potential value** of flexibility needed from an (active) grid management perspective
 - Illustration of possible coordination in the long term: pooling flexibilities with locality indication (market/regulated; scale important)

Question 10: how should the regulation framework be changed for realizing your concept of active network?

Analysis of regulatory frameworks ongoing:
D1.4 – Q3 2015.

- “Need for long term vision and predictability of regulatory frameworks”: investment climate and risk management
- Remuneration schemes are important, but creating an innovation-friendly environment as well (not all parameters influenced by regulators)
- Security of supply & quality of service: other interpretation when introducing DR.
- New possibilities for active grid management: different impacts on DSO cost structures (CAPEX / OPEX) and related remuneration (cost recovery) for different time horizons
- The use of smart meter data for active grid management should be enhanced to increase observability and manageability of the distribution grid: need for clear rules on interaction between smart meters and (home) energy management systems.
- A more (pro-) active role of the DSO is promoted and enabled in relation to DRES and flexible loads