

Got flex? What is the value of it?

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The time for flex is now – supply and demand is here

FLEXIBILITY SUPPLY

Diverse supply readily available

Great initiatives, new innovation, technologies, digitalization, from startups to energy communities to larger companies.



FLEXIBILITY MARKETPLACE

Price transparency
Coordination
Neutrality
Contracts



FLEXIBILITY DEMAND

Grid is already packed

Europe increasingly vulnerability increases demand:

- Geopolitical developments
- Renewables and weather dependency
- Grid cannot cope with future needs

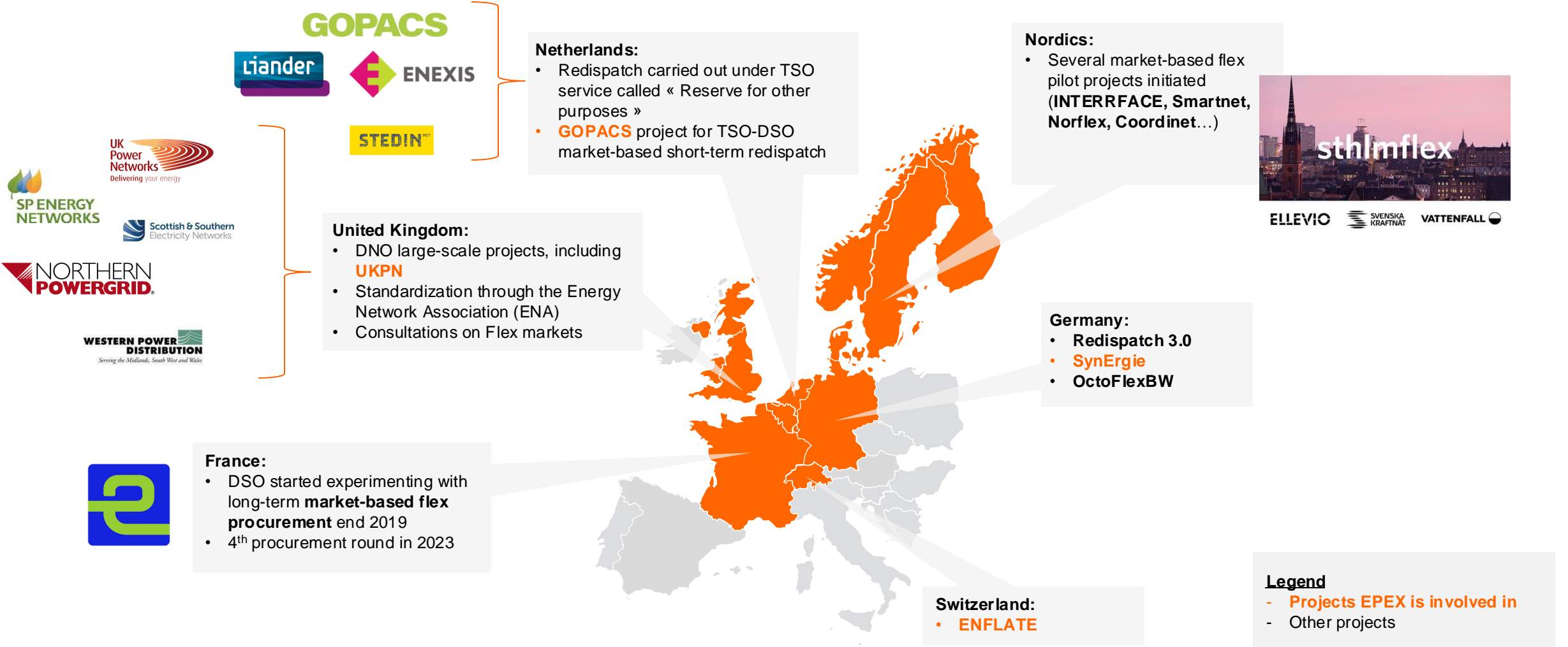
Flex is the only way to compensate



Source:
<https://capaciteitskaart.netbeheernederland.nl/>
24th of September 2024

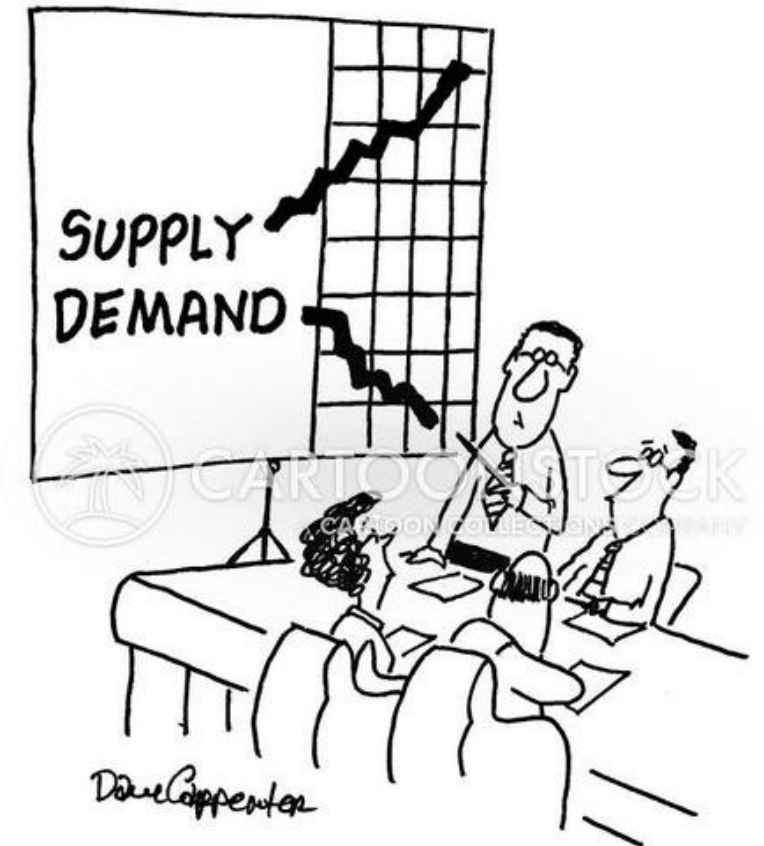


We are entering a new phase - First commercial projects are developing



..BUT we still we see **hurdles** to unlocking the great potential

- Still **no/limited incentives for SOs to use flex** in many areas, lots of incentives for building grid.
- Much volumes are still traded bilaterally in many areas and **pricing of flex is not always transparent enough.**
- **Flex in the same areas might receive different prices.** How to make an investment decision based on this?
- **Coordination of TSOs and DSO could improve** in some areas
- **Technical standards are needed** to ensure lower barrier to access



"Unfortunately, the consumer was not as demanding as we had hoped."

Hour of birth of a new market segment?

The new Network Code on Demand Response could offer a push



1. Promote more strongly and clearly **market-based flexibility procurement** of congestion management services by system operators over cost-based or regulated price setting approaches.



2. Ensure **market coordination** between wholesale, local flexibility and balancing markets to foster value stacking for flexibility service providers across all of these market segments.



3. Secure the operation of local markets by **neutral third parties** such as power exchanges. They retain best the requirements and ensure efficiency, neutrality as well as technical expertise.



4. Set stronger **incentives to system operators** to engage in market-based flexibility procurement.

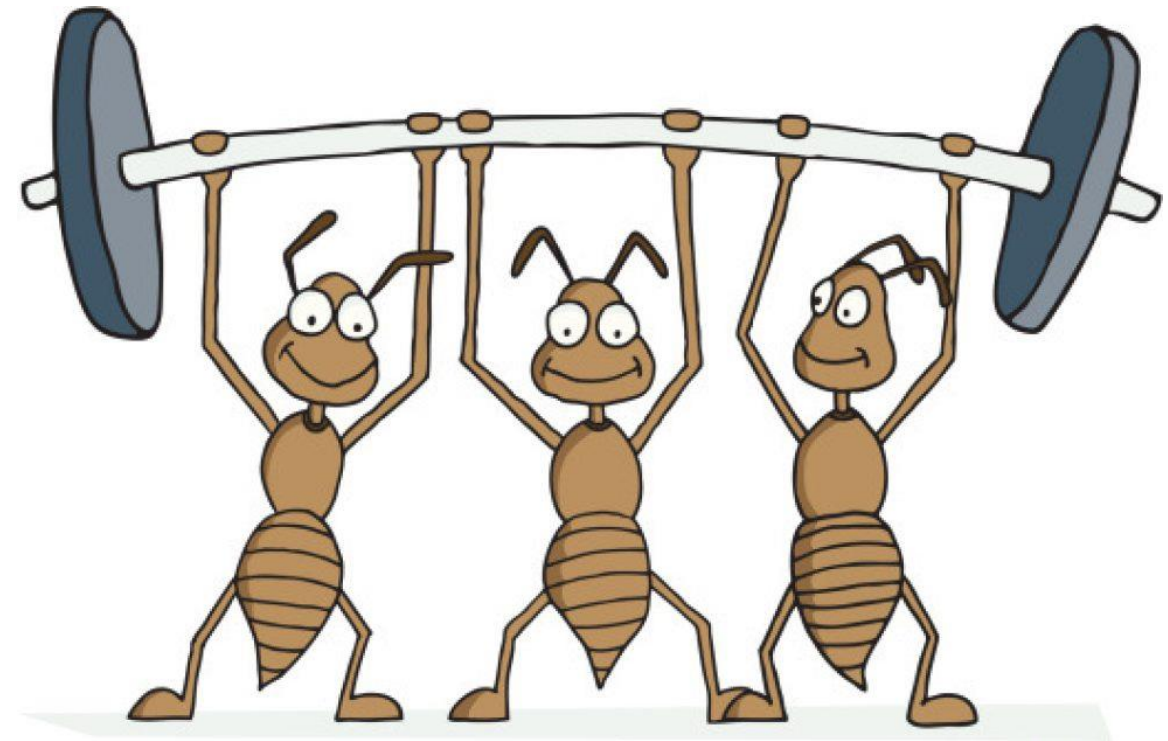


5. Foster **DSO-TSO coordination** to solve congestions in the most efficient ways.

Cooperation is the way forward

DSOs-TSOs-market operators-flex providers

- Push to get the system value of flex reflected in the price of flex
- Let's better use what we already have in the system – because we have a lot
- It starts with providing the right price/value/incentive to act
- We at EPEX SPOT are here to do our part
- We look forward to hear about all the great developments in this room and to discuss in the breaks.



Thank you for your attention!



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