

4th ACER DSF Expert Group Meeting

3 December 2021 from 09:30 to 12:30

Virtual meeting

Represented institutions	Remarks
ACER / Athina Tellidou, Guro Grøtterud, Mathieu Fransen	Chair, participants
E-CONTROL (Austria) Stefan Vögel	Chair
CREG (Belgium) Marijn Maenhoudt	Project team
CRE (France) Cyprien Videlaïne, Juliette Leboda	Project team
ACM (Netherlands) Timon Dubbeling	Project Team
ARERA / Stefano Rossi	Project Team
EI (Sweden) David Fried	Project Team
Enel / Daniel Davi Arderius	Expert
PGE Dystrybucja / Ewa Mataczynska	Expert
DNV / Hans de Heer	Expert
Comillas Pontifical University / José Pablo Chaves Avila	Expert
PSE / Robert Kielak	Expert
Elia / Anna Tsiokanos	Expert
Digital4grids / Laurent Schmitt	Expert
Enel X / Paul Troughton	Expert
EDF / Yannick Phulpin	Expert
NeonEnergy / Lion Hirth	Expert
European Commission / Sabine Chrome, Mathilde Lallemand Dupuy	Observer
EU DSO / Torsten Knop, Paul de Wit, Carolina Vereda	Observer
ENTSO-E / Olivia Alonso Garcia, George Trienekens, Victor Charbonnier	Observer

1. OPENING

ACER welcomed the participants and presented the agenda, which was approved, and the housekeeping rules.

One expert suggested opening the group to further observers. ACER preferred keeping the current perimeter, however for particular topics external presenters could be envisaged.

2. Q&A FROM PRESENTATIONS IN EG3

ACER highlighted some of the issues that were brought up by the presentations and the following Q&A sessions such as the need for technical standard, the flexibility register, defining roles and responsibilities for different actors. Regarding next steps, ACER processes the presentations and discussions after that to identify principles and best practices that could be of relevance for the European framework.

3. FIRST CONCLUSIONS FROM ACER ON THE SCOPING EXERCISE

ACER introduced the topics on finding the right level of harmonisation and a topic in progress.

There is a need to clarify what is meant with international providers of demand side flexibility. This should not be understood as providers from non-European countries, but as providers that are active in several countries in Europe, as for instance aggregators could be. For such providers, sufficiently harmonised rules would be an advantage. Indeed, too different national or local rules would make the price of entering a new geographical area too high.

There were diverging views on the extent to which adaption to local/regional specificities would be necessary. Although some experts found that once you come down to detail, the system operators have the same needs, others pointed to examples as different commitments toward grid users, and different retail models, and these need to be respected. The need to adapt to local/regional specificities must be studied for each topic and not at a general level.

The current European framework is to some extent adapted to bigger assets because it is written to deal with problems on transmission level. Some claimed the framework should be adapted to facilitate smaller assets, in particular residential, and that are not enough harmonised rules for these on European level. However, there may also be a need to adapt national rules for this.

Several experts expressed their concern about ACER's comments on the immaturity of the topic of DSF and local congestion management, as there have been projects going on for 10-15 years to integrate DSF. There should be sufficient experience for harmonisation, by parametrising products but leave flexibility to tailor it to particular needs.

Also, several Member States are waiting for the coming European framework to implement national rules, so if the framework is waiting for more experience, we are getting nowhere.

Others, however, pointed to the fact that although projects have been going on for years it is difficult to pick clear winners for European harmonisation.

ACER acknowledged the strong message from most Experts that the coming European framework should have an ambitious aim at harmonisation. However, as shown among others through expert presentations in the 3rd DSF EG, there are still ongoing projects and no clear consensus about winners for European harmonisation. Moreover, the legal framework sets limits for harmonisation as Member States as network codes and guidelines shall be without

prejudice to their right to establish national network codes which do not affect cross-zonal trade.

ACER introduced the topic on a framework for a topic in progress.

To a question on what is meant by “common principles”, ACER replied that this is more general than the next point on describing requirements for the processes, and it is meant to cover also other aspects, not only processes.

ACER introduced the topic on what demand flexibility should cover. One expert presented slides sent before the meeting, underlining the need to include load, generation and storage in demand side flexibility, and the importance of defining the most important topic in a common way.

The group supported the approach of technology agnosticism. There were diverging views in the group on the need for a clear definition of demand side flexibility. There is a need to align terms throughout the European regulation, such as LER¹ in SO GL, energy storage in Directive 2019/944 and demand in DCC.

Several experts supported the categorisation through voltage levels, as there already is such a distinction in existing network codes. As concerns the size of assets, the need to enable market access also for residential assets and prosumers was stressed. It was discussed whether the difficulties to access the balancing market was due to the DCC or its implementation, or the 1MW product limit.

As concerns the assets to be included in the scope, the group agreed with the (non-exhaustive) list given by ACER. It was pointed out that the definition should not exclude residential flexibility providers, heat pumps or distributed generation and storage (including EV2G) and the coming FG should not exclude peer-to-peer exchange.

ACER introduced the topic on measuring, validation, settlement, baselining.

The term of observability vs. validation was discussed. The term of Observability Area is already defined in the SO GL as concerns TSOs. The need for clear definition of terms was well illustrated by the discussion.

It was also discussed whether observability requirements for products delivered by aggregator should be regulated or not. As concerns baseline methodologies, although the specificities of these may depend on the concerned market, it was pointed out that some regulation may be needed.

A potential obstacle for submetering linked to the Metering infrastructure Directive (MiD) was also brought to our attention. This is related to the MiD not being conceived for embedded meters, and thus some requirements may be difficult or very costly to fulfil.

ACER introduced the topic on aggregation. Specific rules may be needed for each market, in order to adapt the required level for locational information.

ACER introduced the topic on implicit DSF, FWD, DA, ID and balancing markets.

¹ LER – Limited Energy Reservoir - Expression used in SOGL to describe capabilities of FCR providing units or groups with limited energy reservoir

The group agreed with ACER's view that the current design of the wholesale markets are not problematic for DSF participation. However, there are few countries where DSF are actually participating. The barriers are to be found, according to several experts, in the imbalance settlement procedures.

It was not clear in the discussion whether this was due to a lack of implementation of current target models at national level, or if it was the target models themselves. ACER stressed that the drafting of the FG will be based on finding the regulatory gaps, not on monitoring correct implementation. It was also suggested to get the views of the power exchanges on barriers to DSF participation in FW, DA and ID markets.

The group also discussed potential synergies between prequalification processes for balancing and for congestion management. Although each market may have its particular specificities, some synergies may be found. There could also be some potential for simplifying the processes, however these processes should not be specified on a too detailed level in European regulation.

A question was raised on the topic of imbalance settlement as part of the scope, whereas Recital 39 of the Electricity Directive mentions that "Member States should be free to choose the appropriate implementation model and approach to governance for independent aggregation while respecting the general principles set out in this Directive" and ACER slide 156 of the third EG meeting confirmed that balance responsibility and the related obligations are not relevant to be addressed at EU level (no objection voiced during this meeting). ACER explained that although requirements for this are already defined, it has to be checked whether these need to be adapted to any additional requirements that may be set for aggregation. This may also concern independent aggregators, although rules for these are defined on national level, as further requirements to the national models may be set on European level if and where required.

ACER introduced the topics on FCR and NFAS. ACER has only included voltage control under FCR, this does not restrict DSOs to access other products, but defines the scope for further European regulation on FCR in this process. The aim is to address identified barriers, and not necessarily to create a European FCR market, although successful examples of FCR cooperation exist.

ACER introduced the topic on congestion management

The group agreed that this is a main topic for European regulation, in particular as concerns lower voltage levels. There should be general definitions for products and services, including long-term products. However, non-firm connection agreements is an additional tool to such products and should not be included in the scope of this work, according to some experts.

4. TSO/DSO COOPERATION AND COORDINATION

This topic was not discussed. ACER asked the experts to provide written input on this.

5. CONGESTION MANAGEMENT

This topic was not discussed. ACER asked the experts to provide written input on this.

6. THE POTENTIAL AND NEED FOR DSF

This topic was not discussed. ACER asked the experts to provide written input on this.

7. DSO MATURITY – PREREQUISITES FOR LOCAL CONGESTION MANAGEMENT

This topic was not discussed. ACER asked the experts to provide written input on this.

8. FURTHER WORK AND PLANNING

The forthcoming work of ACER will focus on the finalising of the scoping letter to the European Commission and preparing the work on the Framework Guideline.

9. CONCLUSIONS/AOB

9.1 AOB

Nothing under AoB.

9.2 Next meetings

Next EG meeting will most probably take place in February. The date will be announced in January. In order to facilitate the participation of all experts, afternoon meetings will be preferred.