

Paris, February 17<sup>th</sup> 2010

#### **EUROPEAN ENERGY REGULATORS**

# CONSULTATION ON REGULATORY ASPECTS OF THE INTEGRATION OF WIND GENERATION IN EUROPEAN ELECTRICITY MARKETS

#### **ERDF's ANSWER**

ERDF, as French distributor, is clearly and directly interested by the regulatory frame for the integration in the distribution networks of the wind generation, as well as for the other RES.

The document proposed by CEER is mostly focused on the TSO and the management of the market. However, some of the proposals or questions have direct consequences on the distribution networks, due to the increasing number of small wind farms directly connected to the distribution network.

As DSO, ERDF would focus on 2 main topics, one related to question n°5, the second related to questions 7 & 8.

### Question n°5:

The wind generation directly connected to the distribution network is quickly and continuously developing. Taking every day an increasing place in the global generation, this local energy cannot be longer considered as marginal and treated as an additional source excluded from the balancing system.

As mentioned in the present CEER's report, one of the difficulties for wind generation is to forecast it far from real time. In these conditions, every progress in the method and processes of such settlement is useful. We think that a DSO can have a specific role in this problem.

Indeed, a DSO like ERDF has a good knowledge of the local consumptions, and will have a better knowledge thanks to the smart meters it will generalize; it has a good knowledge as well of the local generations, through the contracts with the distributed generators and the figures it can collect in order to make reliable statistics. Consequently, a DSO like ERDF can aggregate all these data on relevant perimeters, and offer a service of data treatment and/or local forecast to the TSO, to avoid him to manage directly a huge number of small generators, as the DSO is in charge of the local grids and of all the several RES which are connected. The TSO keeps, of course, the global responsibility of the balancing system.

Such a solution should be defined more precisely, in order to simplify the whole system for all the players, to determine the responsibilities, and define a relevant remuneration for the participants.

## Questions n° 7 and 8:

ERDF considers that the network charges for wind generation must be the same as for any other type of generation. In fact, they must be "cost reflective", in order to give to every player and stakeholder an objective vision of the system, and to allow every player to manage the risks he has to face on the long term.

If the member states want to give incentives to this kind of generation, these incentives must take other roads than through the network charges, and be transparent and non discriminatory.

Particularly, in order to answer to the problems mentioned in chapter 4, (priority of locations, sharing of charges between the first connected generator and the possible following ones, different timetables between the

building of the generators and the building of the distribution network), it would be necessary to have a good, reliable and stable vision on the long term for these projects.

For that purpose, the definition by the member states of **local or regional plans** for such category of generation as wind farms, should be encouraged, as it is already decided in France. ERDF thinks that this method is necessary and will be very efficient to satisfy the several, and sometimes contradictory, requirements of the different players, and the interest of the consumers. Such plans can show the priorities for the locations, can optimize the investments in networks, can minimize the risks for such investment, and provide better and coordinated timetables for the several buildings and constructions.