



## 4.2 Market design for demand side flexibility (1/2) by Veli-Pekka Saajo – DS WG Chair

### Flexibility markets could represent a variety of auction and trading platforms

- ▶ There are many different approaches to the design and setup, keeping flexibility markets separate and somewhat independent on one side, or integrating them partially or fully with existing markets on the other
- ▶ Especially with a potential interaction and overlap the frontiers of the domains should be properly defined, and even if separate, they should be designed to coordinate with other markets.

### The market design should facilitate an optimal valuation of flexibility from a system point of view, established through:

- Free price formation
- Free choice to participate where it creates the highest benefit
- Not to unduly blocking or hindering access, etc. Independent of the setup

The establishment of baselines and coordination schemes are a crucial aspect of products and their design and availability to other system operators and market parties

### Various approaches to flexibility mechanisms that could reach a cost-efficient outcome

Other forms of flexibility use in the distribution grid should be taken into account and could be more beneficial in certain situations

**CEER encourages to generate a market design within appropriate time**

## 4.2 Market design for demand side flexibility (2/2) by Barry Hussey – EWG Vice Chair

**Regulators consider that explicit demand response will play a critical role in the already started transition.**

**Regulators remain unconvinced of the need to produce a specific Network Code on Demand Side Flexibility now**


Existing NCs have a very strong emphasis on the provision of flexibility services including system stability services

Implementation of CACM, EBGL and Regulation 943/2019 is ongoing

Await transposition of EU Directive 944/2019

See CEER responses from May 2020 & May 2021

**If the intent is to progress with the new NC on DSF:**



It is important to ensure that the scope includes not just system services, but the full range of available markets along the value chain.

Regulators are keen to play an active role in shaping the next steps.