Press Release

# enera project: EWE and EPEX SPOT to create local market platform to relieve grid congestions

## Solution designed with DSOs Avacon Netz, EWE NETZ and the German TSO TenneT

**Essen / Oldenburg / Paris, 06 February 2018.** The energy group EWE AG and the European Power Exchange EPEX SPOT have signed a cooperation agreement within the scope of the enera project in Essen today. As part of the project, both companies commit to reveal the local dimension of the European power market by launching a local market platform for flexibility sources together with the system operators Avacon Netz, EWE NETZ and TenneT. With this market platform the project partners aim to efficiently tackle the widespread issue of grid congestion. The market platform will be available to system operators and flexibility providers of the project consortium. The implementation in 2018 will be followed by a two year demonstration phase in 2019/2020 as proof of concept. The goal of the cooperation is to develop scalable solutions in a showcase region, in this case in the windy Northwest of Germany, which can then be implemented on a much larger scale.

## A local market platform to relieve grid congestions

The expansion of intermittent energy resources will significantly change the energy system. Grid congestions at all voltage levels are likely to increase in the coming years. At the same time, digitalization of the energy sector allows access to distributed flexibility from consumers, producers and storage systems. Making these flexibility sources available to system operators is key to tackle local congestions – and this is where the enera project comes into play. “A transparent market mechanism allows to efficiently allocate the local flexibility sources, based on price signals. Electricity from flexibility sources will flow to where it is most needed, when it is most needed, to relieve grid


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congestions. This is a major and concrete milestone for the integration of renewable energy sources and the engagement of consumers and producers all the way down to the retail level" explained Jean-François Conil-Lacoste, CEO of EPEX SPOT. "In the long term, such local price signals generate a sustainable framework for the development of additional flexibility sources" he added. "As consortium leader of the enera project, we are pleased with this very concrete initiative that is a major step towards realization of a smart market mechanism which efficiently coordinates distributed flexibility in the grid. By demonstrating the mechanism in a fully digitalized energy system with 100% renewables, we will pave the way for the energy market of the future" said Stefan Dohler, CEO of EWE.

## Locational orderbooks connect flexibility sources to system operators

Together with the enera project partners, EPEX SPOT and EWE will develop a clear and transparent market mechanism for flexibility providers who wish to participate in market-based congestion management. Locational orderbooks will be implemented to efficiently centralize flexibility offers that can be used by TSOs and DSOs to alleviate congestions. The participating TSO TenneT expects that the project will answer questions whether new market-based congestion-management solutions might be beneficial to the current market design and if the designed solution could act as a coordinating mechanism between TSOs and DSOs. As expert in the operation of power markets, EPEX SPOT will provide a solution to ease the growing challenges of the power system.

EPEX SPOT will act as neutral intermediary between flexibility demand from system operators and suppliers active in the region, supervise price formation and guarantee a high level of transparency for this new market. All processes necessary on the side of flexibility suppliers and system operators to act on the market will be set up in the project. This will allow for a demonstration under real conditions. With the experiences made in the demonstration, foundation for much broader implementation of the concept shall be laid.

enera is a part of the development program Smart Energy Showcases – Digital Agenda for the Energy Transition (SINTEG) by the German Federal Ministry of Economic Affairs and Energy. Its goal is to develop and demonstrate scalable standard solutions with a high share of renewable energies over large "showcase regions" for an environmentally friendly, secure and affordable power supply.

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**The European Power Exchange EPEX SPOT SE** and its affiliates operate physical short-term electricity markets in Central Western Europe and the United Kingdom. As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT is committed to the creation of a pan-European power market. In 2017, its 285 members traded 535 TWh – a third of the domestic consumption in the eight countries covered. 49% of its equity is held by HGRT, a holding of transmission system operators. For more information, please visit www.epexspot.com.

With more than 9,000 employees and sales of 7.6 billion Euro, **EWE AG** is one of the largest utility companies in Germany with activities in the field of energy, telecommunications and information technology. EWE is consortium leader of SINTEG project enera.

**Enera** is a consortium project which unites 33 consortium members from energy industry, business and research. The main objective of enera is to develop and demonstrate scalable showcase solutions for the energy transition in the focus fields grid, market and data. The enera project is funded through the Federal German Ministry of Economics and Energy.

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