



SEDCC
Smart Energy Demand Coalition

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EBSAG

Jessica Stromback



Executive Members



Associate Members



Our Membership



Smart Energy Demand Coalition

The **SEDC** is an not-for-profit industry group,
representing the requirements of programs involving
Smart Energy Demand
in order to support the 2020 objectives, further the
development of the Smart Grid and ensure improved
end-consumer benefits



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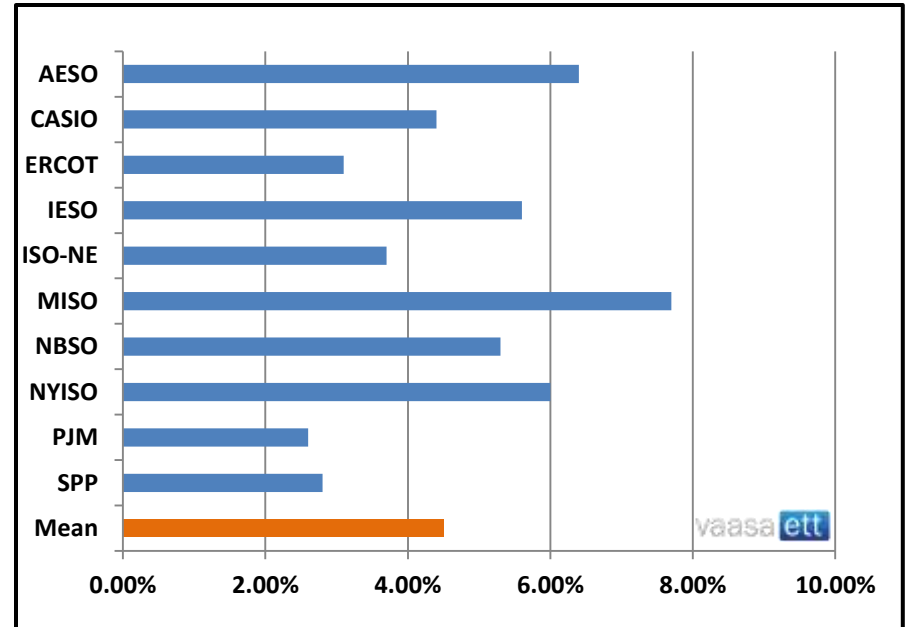
Demand Response = Growing Potential Globally

Why Care? USA - As of 2012, over 2 billion Euros earned by the local economy through Demand Response

7 years after market opening 29 GW under Demand Response programs

- **USA Multi Billion \$ Business Direct Revenue + avoided investments Generation, T&D**
- **Demand Response “took off” in 2005 with Demand Side access to capacity markets**
- **Average estimate peak clipping 8-11% US**
- **Average estimate possible peak clipping 6-13% Europe**
- **Developing nations looking at DR for peak clipping purposes. India, Brazil, China etc.**

A total of 66 GW were under some form of control, making up 9% of total US national capacity



**Actual Peak Clipping USA
2010
C&I + Residential Demand
Response.
Source: FERC**



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ENTSO-E Network Codes

- SEDC believes the ENTSO-E Network codes are a historic opportunity to create a **positive, unified framework** within which demand and supply side resources can compete on an equal footing for the first time
- This will benefit consumers by allowing them to participate, provide balancing resources at the lowest possible cost and increase security of supply



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Issues that can be difficult



Be ambitious

Not leave it TSO to TSO with one common product as the minimum

Enabling Definitions and Descriptions

Art. 14.3 Standard Product Description of Demand Response:

- (a) Preparation Period
- (b) Ramping Period
- (c) Full Activation Time;
- (d) minimum and maximum quantity;
- (e) Deactivation Period;
- (f) Price of the Bid;
- (g) Divisibility;
- (h) Delivery Period, including minimum and maximum duration of activation,
- (i) **location; (how is this defined?)**
- (j) Validity Period;
- (k) Mode of Activation.

Missing factors

- Definitions of descriptive factors – **mode of notification**
- Clarify what is meant by **locations**
- Add definitions**



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Unacceptable Requirements on Aggregators/Consumers

Article 19.1.c Prohibitive responsibilities on the consumer or aggregator

1. Each Transmission System Operator shall use at least one of the following market based methods for the procurement of Frequency Containment Reserves, Frequency Restoration Reserves and Replacement Reserves:
 - (a) a call for tender;
 - (b) a call for tender with price caps; or
 - (c) an obligation for Balancing Service Providers to provide reserves, linked to a liquid secondary market for the Transfer of Obligations.

- This will unfairly increase burden demand response providers, and constitute unequal treatment of resources. adequately compensated considering their high cost. It significantly increases the cost of providing Demand Response. Much demand response is a binary process – difficult to turn off only a part of the load.
- Against market principles to include price caps in a tendering process. Again may block consumer participation and erase real market value of the products

Encourage and protect market creation

Article 11.3 Principle of Market Creation

3. Transmission System Operators are not allowed to offer the Balancing Services themselves except, if there are insufficient bids with respect to dimensioning requirements contained in the Network Code on Load Frequency Control and Reserves from Balancing Service Providers or if foreseen under national law.

The TSO should not have “free hands” to procure Reserves for themselves. This undercuts the principles of market development

Market Creation

Article 17.4 Strict market requirements – bad for market development

4.
The Balancing Gate Closure Time shall be at least one hour prior to real-time.

This time limitation damages trading on the intra-day market.

It could limit both TSOs, traders and service providers

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