

Regulatory framework needed to boost flexibility initiatives

EPEX SPOT supports dena's call for regulatory groundwork to enable local flexibility markets

Berlin/Leipzig/Paris, 25 January 2019. The European Power Exchange welcomes the guiding principles published by the German Energy Agency dena yesterday. They outline the different economic and political aspects to be taken into account in order to drive forward flexibility initiatives, indispensable to efficiently tackle the challenges that arise from the *Energiewende*. The guiding principles will serve as foundation for a catalogue of regulatory measures to remove hurdles in the further development of concrete flexibility use cases. EPEX SPOT has contributed to these guidelines and remains involved in this dena *Netzflex* Initiative.

More concretely, the document underlines the importance of a solid regulatory framework for flexibility markets. With the Clean Energy Package, a first step to foster market-based flexibility initiatives has been made. "We need however a pragmatic regulatory framework for local flexibility markets in Germany and across Europe. This regulation needs to be well thought, as it should serve as a solid basis for these new markets while allowing them to thrive and evolve" comments Wolfram Vogel, Director of Public & Regulatory Affairs. "This is why initiatives like dena *Netzflex* are so important. They create a link between use cases, best practices and decision-makers" he adds.

Further important principles outlined in the publication concern the use of decentralized flexibility to alleviate congestions, and the creation of regulatory incentives for system operators. Local flexibility markets, as developed by EPEX SPOT, allow access to flexibility in a transparent manner, while creating a price signal for flexibility assets. "We are convinced that market-based congestion management can work under the right design and set of rules. We need a regulatory framework that fosters these markets, giving system operators an incentive to actually use them, eventually to the

benefit of the wider system and consumer welfare” Philippe Vassilopoulos, Director of Product Development, adds.

In the next steps of the dena initiative, the participants will develop a catalogue of regulatory measures which will be published in the course of the year. For the dena Position Paper on the 10 guiding principles for a regulatory framework (in German language) click [here](#).

EPEX SPOT will participate in an Event on Enera, the first demonstrator of a local flexibility market at E-World 2019 in Essen. More information [here](#).

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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 2018, its 289 members traded 567 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.

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