



Regulatory perspectives on wind integration

Martin Crouch,
Co-chair CEER Sustainable Development Task Force

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Agenda

- Overall approach
- Market arrangements
- Network arrangements
- Next steps

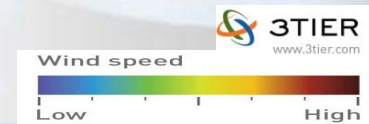
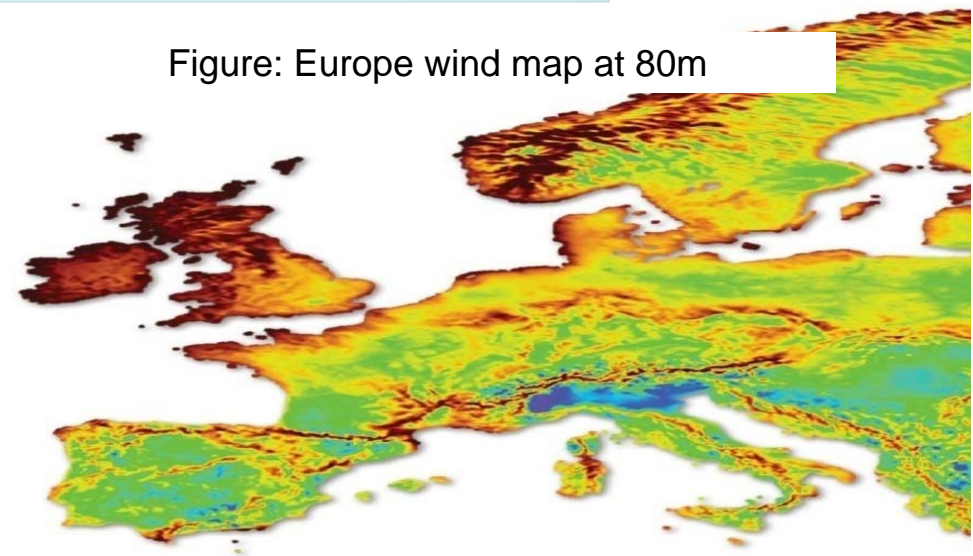


Figure: Europe wind map at 80m



Integrating wind

- Massive increases in wind generation creates new challenges and opportunities
- Regulatory role to protect customer interests and promote sustainable, secure, competitive markets
- CEER consultation (Dec 2009) to establish overall regulatory agenda – e.g. level playing field

We received excellent response to the consultation – this demonstrates appetite to address the issues.

Market arrangements for wind

- Wind generation is more predictable closer to real-time – markets arrangements should encourage wind generation to integrate into the market.
- With respect to the issues addressed
 - Broad support for close to real time gate closure (~1hour);
 - General support for PCG target models;
 - Significant push to make intraday trading a priority;
 - Concerns about conservative approach to capacity calculation;
 - Most agree that wind should be subject to balancing obligations.
- Question – what about incentives for conventional generation as back-up?

Network arrangements for wind



Investment

- Authorisations remains key issue
- How to encourage anticipatory investment?

Research and Development

- Strong support for TSO (and DSO) role
- Some support for incentive-based funding

Offshore supergrid

- Need for co-ordination (Blueprint / North Seas Countries Offshore Grid Initiative)

- **Conclusions Paper July 2010**
 - Focus on input into ACER tasks (framework guidelines, advice on 10 year plan) and interaction with other workstreams
 - Need to remove undue barriers, potentially harmonise market and network arrangements.

- **Examples:**
 - Capacity allocation and balancing FGs;
 - AHAG intraday workstream;
 - Regional 10 year network development plan;
 - North Seas' Countries Offshore Grids Initiative;
 - Regulatory framework/incentives for providing additional capacity.

Thank you for your attention!

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