

Port of Spain demand response

With the aim of reducing national electricity consumption during peak hours by 5% from 1 December, Spain will have to find quick and effective solutions to comply with European law.

Although the objective seems ambitious and the deadlines very short, there is a solution to achieve this objective: opening the Spanish market to demand side flexibility.

The process of ecological and energy transition in which we are immersed is essential to address the climate emergency, and we believe that it must be a key lever to build a fairer, more sustainable and lasting economic recovery over time.

The signatories of this manifesto consider that 1) the development of a legislative and procedural framework that facilitates the deployment of demand side flexibility is a key element for a successful transition, in accordance with Directive (EU) 944/2019 on common rules for the internal electricity market and 2) it is urgent to incentivize the management of demand side flexibility because it can contribute to reducing the costs of the energy system for all consumers. For this reason, we request the regulators and government to develop a National Strategy for Demand Side Flexibility in Spain.

We understand demand side flexibility as the ability of consumers to reduce, increase or shift their energy demand, by managing their consumption, generation or storage, during a given period of time. Traditionally, the flexibility of our electrical system has been provided by large generation plants or pumping plants. Currently, the flexibility of demand has the possibility of playing an important role in various aspects such as the integration of renewable and non-manageable generation, the modulation of market prices, the provision of reserves to the system or the solution of congestion in the networks, as long as the right price signals are in place and the participation to all markets is allowed[1].

Thirdly, the high price of electricity is aggravating the effects derived from the covid-19 economic crisis on the competitiveness of the Spanish economy. The development of demand side flexibility not only contributes to improving energy costs borne by consumers, but can also generate a positive impact on the economy and job creation. The same United Kingdom Strategic Plan for Flexibility to 2050[8] published in 2021, calculates that the domestic market for the development of intelligent systems and flexibility solutions in 2050 will weigh more than ?1.3 billion per year in the national GDP and will create more than 10,000 jobs.

Finally, it is important to highlight that the European Commission has sent a formal letter[9] to Spain, for being late in communicating the transposition of the Directive (EU) 2019/944, about the common rules for the interim electric market. The deadline to incorporate the Directive into national law ended on December 31, 2020, but to date, Spain has only partially transposed the Directive, opening only the balancing markets to demand side flexibility through a BRP.

For all this, the signatories of this document, we urge the regulatory and government bodies to accelerate the necessary changes to allow and promote the development of demand side flexibility according to the Clean Energy Package, developing a strategic and incentivizing framework to face all the above explained challenges. In this regard, we urge the regulatory and government bodies to develop a National demand side flexibility Strategy, which defines the current state of the sector, including an evaluation of its potential, the challenges it faces, the objectives to be they should achieve, as well as a specific action plan that offers a clear signal to the sector to help achieve them.

We are at the right time to raise this ambition. The National Plan for Recovery, Transformation and Resilience and the new plan Save Gas for a Safe Winter[10] offer an ideal framework to accelerate the development of demand side flexibility and incorporate this resource as a key element of the Spanish electricity system, favoring the participation of all consumers, as well as new actors in the energy transition such as the Independent Aggregator and the Energy Communities.

We remain at your disposal to be able to comment in detail on the points described in this Manifest.

[1] ACER"s report Final Assessment of the EU Wholesale Electricity Market Design. Pag. 75. Enlace

[4] OCU (2021). Monitoring of the price of electricity. Link

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