









Electricity and Gas Associations team up on flexibility in Energy Transition

The European electricity and gas associations, representing distribution system operators (DSOs) - CEDEC, EDSO, eurelectric, Eurogas and GEODE - teamed up at an event at Brussels to address the issue of flexibility in the energy transition. They presented two reports entitled <u>"Flexibility in the Energy Transition: a Toolbox for Electricity DSOs"</u> and <u>"Flexibility in the Energy Transition: a Toolbox for Gas DSOs"</u>. These reports set out a holistic approach for DSOs use of flexibility to assist them contribute to the transition to a more decarbonised, decentralised and digitised energy system.

The DSOs advocate for smarter and more flexible distribution networks to enable the energy transition, markets transactions and wider commerce between parties. They call on EU policy-makers to integrate the roles of DSOs related to flexibility in the future electricity and gas policy and legislation. The reports present practical solutions to enable DSOs to use flexibility as a tool to operate their grids in a more cost-efficient way.

The launch event was opened by Carmen Gimeno, Secretary General of GEODE, and Beate Raabe, Secretary General of Eurogas. They stressed that the energy transition will bring about profound changes in the way energy is produced, used, stored, and consumed. This will have a huge impact on the distribution grids where flexibility will play a crucial role

Kristian Ruby, Secretary General of eurelectric said "This joint effort will contribute to the development of a coherent regulatory framework to improve the development and exploitation of flexibility in the European energy system. An improved regulatory framework should reward the use of flexibility – including by DSOs – and take into account the growing role of the DSO as an active system operator and neutral market facilitators."

Marcus Merkel (EWE/eurelectric) and Luis Cunha (EDPD/EDSO for Smart Grids) presented the key findings of the electricity report. They highlighted the need for DSOs to oversee, utilise and coordinate flexibility in their grids as part of their active system management responsibilities. Markus Merkel of eurelectric stressed that "Market-based solutions, technology neutrality, coordination and information exchange between TSOs and DSOs are the basis to develop the future markets for flexibility." Luis Cunha of EDSO for Smart Grids added "DSOs will proactively manage and operate their networks to facilitate the interactions between markets and customers. It is key that DSOs have the means in place and supervise all flexibility operations in their networks."

Guillaume Virmaux (GRDF/Eurogas) and Isabel Orland (VKU/CEDEC) presented the main points of the gas report, which argues that gas grids are naturally flexible and already contribute largely to managing energy demand fluctuations, as well as decarbonising energy system. Their role will increase as a result of innovation in gas technologies, such as mini or micro-CHP, and the development of renewable gas, such as biomethane or power-to-gas.

Roberto Zangrandi, Secretary General of EDSO for Smart Grids concluded: 'It's good to see the results of this joint DSO effort. This shows a clear DSO interest in working together to exchange best practices and solutions on flexibility.'

Gert De Block, Secretary General of CEDEC closed the event with a clear message: "The unique features of both electricity and gas energy systems are complementary and can contribute to developing integrated and cost-efficient technological solutions. Gas can thus offer important

flexibility solutions for electricity. These two reports demonstrate further successful collaboration amongst all the DSO associations."

GEODE Background information

GEODE is the Voice of local energy distributors across Europe, representing the interests of 1200 private and public energy companies for both electricity and gas from 15 European countries, serving more than 100 million customers. These small and medium-sized companies are bringing intelligence to the grids and making thereby a major contribution to achieve Europe's climate and energy policy goals. GEODE members operate their grids providing a customer-focused service, with a high quality of supply and energy efficiency to homes, businesses and local communities.