

# Market based redispatch: challenges and opportunities

ENTSO-E Stakeholder webinar

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# Background and key messages

- Is it a problem?
- Why we need markets
- Mitigating measures
- Practical example



MARKET-BASED REDISPATCH IN THE DISTRIBUTION GRID

## WHY IT WORKS!

NODES AS



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## Yes – there are two potential problems

- Consecutive markets with different boundaries or constraints
- Congestions below transmission level



The background of the slide is a complex financial market chart. It features a grid of horizontal and vertical dashed lines. Overlaid on this grid are several data series: a candlestick chart with green and white bars, a purple line graph, an orange line graph, and a green line graph. The overall color palette is dominated by dark blues, greens, and purples.

Gaming is not a risk-free activity

Price difference between markets

Ability to forecast demand for redispatch





# Mitigating measures exist

A climber in a red jacket and black pants stands on a rocky peak, holding a coiled rope. The sun is shining brightly in the sky, creating a lens flare effect. The background shows a clear blue sky with some clouds.

## Long-term contracts

Regulating e.g. pricing of redispatch

## Bid caps/floors

Semi-regulated approach

## Market rules

Describe and ban specific behaviour or strategies

## Market monitoring

Standard procedure for PXs and flex platform providers

## Randomised bid selection

Increases risk of strategic behaviour



# The Norwegian example

*When it is evident that pricing is inefficient, the TSO may suspend bids and use the offered volume for the DAM price*



# Regulated redispatch – two different discussions(?)

## Transmission

- Size of BZ

## Distribution

- Activate demand side – via markets



# We should focus on how to enable and extend market based redispatch

## Develop relevant mitigating measures!

Most are easy to implement, without regulatory measures

## What is really the alternative?

How can we otherwise use demand-side flexibility?

# Thank you – the floor is yours!

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