

## **Terna's consultation on the regulation for the qualification of distributed generation to the MSD**



### **EFET comments - 23 July 2017**

The European Federation of Energy Traders (EFET<sup>1</sup>) welcomes the intention to open the access to the balancing and ancillary services market (MSD) to a wider range of market participants.

Below, we have provided a series of comments and recommendations about Terna's regulation for the qualification of distributed generation to the MSD:

- First, although we acknowledge that this specific pilot project is designed to qualify 'Non-relevant' (<10 MVA) units to the MSD, we wonder whether this should not be extended from the beginning also to "Relevant" units. In fact, we envisage the aggregation of both relevant and non-relevant units in a single UVAP;
- In our view, in the context of the pilot project the threshold of the max/min power should be lowered to 3 MW. In parallel, we suggest to create three bands of operation in order to enable discrete modulation, with the possibility to associate different prices to each band.
- We suggest that the threshold for disregard of the baseline and related penalties, as foreseen at par. 12.2, is increased to 15%;
- The requirement to include in the UVAP a minimum of 80% of programmable sources is in our view an unnecessary constraint: it should be up to the aggregator to decide how to deal with the risk of not being able to actually provide the negotiated resources in the MSD; moreover, limiting upfront the sourcing of units behind programmable units may in fact limit the offer relevant for the pilot project;
- We also wonder whether 'long-term' contracts, envisaged for UVAC in the pilot project on the participation of consumption units to the MSD, could be extended also to UVAP;
- We recommend more transparency on the process whereby bids are accepted: the full list of both accepted and non-accepted bids in every area should be published at least on an ex-post basis;
- We recommend more transparency on the criteria used by the DSO to approve the qualification of a specific UVAP to the MSD as well as on the outcome of the process;
- Although we believe that GSE cannot and should not perform the role of the aggregator in the MSD, units that are currently under its dispatch should be given the possibility to join an UVAP managed by another dispatching user;
- Last, we suggest to extend to this pilot project the scope of use of guarantees that have already been granted to Terna for other usages.

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<sup>11</sup> The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: [www.efet.org](http://www.efet.org)