Market-based redispatch in the Netherlands

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Why market-based redispatch?

• The Netherlands have a zonal energy-only market for electricity

• Market parties have three fundamental rights¹:
  1. Freedom of connection
  2. Freedom of trade
  3. Freedom of dispatch

• The TSO (TenneT TSO B.V.) and the DSO’s have the task to enable physical delivery of traded electrical energy.

• When regulatory network quality criteria are endangered, the TSO and DSO’s take operational measures that can restrict the freedoms of market parties.

• One measure is redispatch, which restricts the freedom of dispatch of involved market parties.

• An ancillary services acquisition process² ensures financial compensation for the market parties providing redispatch.

Market-based redispatch enables coherence with other market segments of the energy-only market

Operational process at TenneT TSO B.V.

- In contrast to balancing:
  - congestions are identified based on forecasts; and
  - redispatch is applied before real-time; and
  - there are alternatives to redispatch (e.g. cancellation of planned grid maintenance)

- Forecasts can change and therefore also the need for redispatch can change

- In case insufficient redispatch bids are available, TenneT TSO B.V. publishes a market notification with the request for additional bids of a specified quality.

- Operational challenge: avoidance of unnecessary redispatch vs. risk of insufficient redispatch supply

<table>
<thead>
<tr>
<th>D-1</th>
<th>Day of realization</th>
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<tbody>
<tr>
<td>12:00</td>
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<tr>
<td>14-16:00</td>
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<tr>
<td>15-21:00</td>
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<td>ca 20:00</td>
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<td>hourly</td>
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<td>Day-ahead market closure</td>
<td>Verification of commercial schedules</td>
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<td>D-1 network security analyses &amp; <strong>solving congestions</strong></td>
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<tr>
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<td>Opening XB intra-day market</td>
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<td>Intra-day network security analysis &amp; <strong>solving congestions</strong></td>
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# Redispatch Product specifications

- **Product name:** Reserve Overige Doezeleinden (Reserve for other purposes)

## Product specifications

<table>
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<tr>
<th>Category</th>
<th>Specification</th>
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<tbody>
<tr>
<td><strong>Product underlying</strong></td>
<td>• Delivery of energy according to scheduled activation of TSO (firm transaction)</td>
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<tr>
<td><strong>Product period</strong></td>
<td>• ≥ 4 PTU, depending on specified activation period in bid</td>
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| **Product utilization**   | • Manual activation by TSO of the scheduled service via electronic message (EDINE standard)  
                             • Bids only fully activated regarding bid size (MW) but partially in time (>min. activation period) |
| **Utilization speed**     | • Activation at the latest 3 PTU's (i.e. 45 minutes) before PTU of delivery    |
| **Delivery location**     | • Specific connection points in NL network or a BRP portfolio (only allowed for counter-actions) |

## Acquisition process specifications

<table>
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<tr>
<th>Category</th>
<th>Specification</th>
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| **Provider accreditation**| • EDINE messaging test  
                             • Bids are sent via BRP                                                      |
| **Acquisition method**    | • Market parties voluntarily provide bids (bid obligation for units >60 MW)  
                             • Continuous single-sided auction (TSO can call a valid bid at any time and trigger a firm transaction) |
| **Acquisition timing**    | • Acquisition between D-1 15:00 and 3 PTU's before PTU of delivery            |
| **Bid requirements**      | • Bids in MW and €/MWh  
                             • Minimum bid size 1 MW  
                             • Bids are provided separately for downward (energy withdraw) and upward (energy injection) redispatch  
                             • Minimum activation period ≥ 60 minutes                                     |
| **Pricing mechanism**     | • Pay-as-bid                                                                   |
The Intra-day Congestion Spread (IDCONS) pilot project tests a new TSO-DSO congestion management instrument in the Netherlands.

- Traders at ETPA can optionally add a location (EAN code) to their intra-day orders.
- Suitable orders are combined to IDCONS according to network operator needs.
- An activated IDCONS is a trade between two market parties, whereby the network operator pays the sell-buy price spread.
- Clearing, settlement and nominations follow the usual processes at ETPA.

The beauty of the concept:

- Easy access for small market parties
- In-line with zonal energy-only market design
- Improved TSO-DSO coordination
Thank you for your attention
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