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CENTRE FOR
ADVANCED
STUDIES

FSR ENERGY
Florence School of Regulation

RES Aggregators as Enablers or Prosumers ?

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Value of Aggregators/Aggregation

Can create real value by closing information gaps and engaging consumers

- Regulators need to take account of tradeoffs between static economic efficiency and competition
- Regulators should eliminate opportunities for regulatory or policy arbitrage via aggregation
- How to avoid opportunistic aggregation

TRADITIONAL

Bundled utilities –
Retailers/ Suppliers

Electric Service Providers-
Balance responsible parties-
Brokers

New tasks – new players?

- Providing new more compact price signals
- Providing new (automated) products
- Bringing new load and DER assets to market

So do we need **new unbundled intermediaries?**

Value of aggregators - Highly dependent on the regulatory and technical context

Fundamental Aggregation

- Economies of scale

Risk management

- Competition and innovation

Trade offs between single v competing aggregators

Transitory Aggregation•

Management of complexity•

Closing information gaps•

Engaging power system agents•

Coordinating agents for system operations

Opportunistic Aggregation

Inadequate regulations for procurement
of balancing services

Flaws in the allocation of balancing costs

Inefficient locational prices and network
charges

Penalties for lack of response in the provision of balancing services
Symmetric bidding requirements

Balance responsible definitions
Imbalance pricing schemes

Locational signals – local price signals
Netting peak consumption through aggregation

But do we use some old IEM tools too?

Unbundling - how and what

Public service obligations - life after the
new Directive ?