Lessons learnt from the 2017 South-East European cold spell

Update on risk preparedness proposal and considerations on early implementation
Lessons learnt from the 2017 South-East European cold spell

- Commission contracted study with the aim to understand the impact of the cold spell and the special measures introduced in select Member States and concerned Energy Community Contracting Parties

- “Study by S&P Global Platts on EU Electricity Markets in January and February 2017“
  
Security of supply and electricity market integration

Lessons learnt from the 2017 South-East European cold spell

- Need to conduct a diagnosis of possible crisis events at regional level - regular assessments (not only 6 months ahead but also closer to real time); aligned methodology and tools; holistic approach (e.g. links with gas, lignite, etc.)

- Need to plan in advance - identify in advance possible measures, as well as roles and responsibilities

- More regional cooperation – agree in advance on how to help each other in crisis situations

- Better information - sharing at all levels (technical/political, national/regional/European, also need to inform stakeholders)

- Trust markets: let markets deliver, even in tight situations, e.g. positive role of demand response & imports. 'Under-developed' markets are less resistant to system stress

- Non-market measures such as export ban come at a high cost! They can only be introduced as a measure of last resort (& linked to reasons of system stability) & need to be strictly proportionate
Risk preparedness proposal and considerations on early implementation: First step: “Methodology to identify electricity crisis scenarios at a regional level”

1. ENTSO-E shall submit to the Agency a proposal of methodology. The Agency shall either approve or amend it.

2. Crisis scenarios on the basis of at least the following risks: a) rare and extreme natural hazards; b) hazards beyond N-1; c) consequential hazards; d) malicious attacks.

3. The methodology shall include at least: a) all relevant national and regional circumstances; b) interaction and correlation of risks across borders; c) simulation of simultaneous crisis scenarios; d) ranking of risks according to impact and probability.

4. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation involving all relevant stakeholders.

5. ENTSO-E shall update and improve the methodology regularly.
Thank you for your attention!