

PRESS RELEASE

Electricity: more security, participation and efficiency at lower cost with new dispatching rules

More space for the consumer-producer and a drive for renewables and energy communities

Milan, 28 July 2023 - **Ensuring the security of the electricity system, efficiently and at the lowest possible cost, considering the growth of non-programmable renewable energy sources, distributed generation and the reduction of the use of programmable plants.** With the approval of the **TIDE – Testo Integrato del Dispacciamento Elettrico (Electricity Dispatching Integrated Text)**, which will come into force in 2025, ARERA is laying the foundations for the future, so that it will really be possible to continue to **benefit from electricity with current quality levels in an environment with more random renewable sources and fewer programmable thermal power plants.** In addition, all the provisions adopted over the years **are rationalised in a single document** in line with European methodologies, as well as incorporating the experience of the pilot projects in the Dispatching Services Market (DSM) into the regulation.

TIDE proposes a **dispatching model (i.e. the process of controlling and managing the production, transmission and distribution of electricity) in which all grid resources can take on the role of producing or consuming energy and the complementary role of modifying production and consumption, at the request of the grid operator (and in the future also at the request of the local distributor).**

A system built to make concentrated and distributed resources compete on an equal footing, based on organised platforms that ensure that **the most efficient flexibility resources, i.e. those that are able to modulate production or load at the lowest cost, are selected** at all times and for each specific need.

"Preparing for the future in good time is the best way to avoid being surprised when it comes and, in the meantime, maintaining a high level of control over the quality levels achieved by our electricity system", says Stefano Besseghini Chairman of ARERA *"With this regulation, we are definitively breaking down the historical barriers that previously prevented any subject from offering its willingness to change production or load, a necessary step, since the transition involves investments by private subjects who must have vision of the rules and confidence in their stability".*

The premise is that in an electrical system, **a balance between electricity production and consumption must be ensured at all times.** It is therefore necessary to find a way to ensure that there is always enough electricity available to meet demand, even when production from renewable sources is low. This can be done using programmable systems, demand modulation or a combination of both.

This means that **customers and producers from renewable energy sources will also be called upon to be more active, providing the electricity system with their ability to change production and consumption as needed,** even shifting them over time. The innovation of the TIED and the experimentation with new flexibility services made possible by the regulation of pilot projects, will enable, also through new aggregators capable of managing the flexibility of production and consumption of a plurality of customers and producers, in a manner completely independent of electricity suppliers.

The **innovations** brought in with the TIDE include **technological neutrality**, according to which no priority is given to one source of flexibility over another, but the **only discriminating factor must be the price charged for the provision of the service; no minimum power limit for participation in the services market; institutionalisation** of two potentially distinct **entities** that autonomously perform the two activities of a "trader" **responsible for production/consumption scheduling** (the "BRP", or "Balance Responsible Party"), which deals with the marketing of the defined quantity of energy, and a **person**

responsible for the “ancillary” part relating to services (the “BSP”, or “Balancing Service Provider”), which performs the movements.

Resolution 345/2023/R/eel with the TIDE, the version with the clarifications incorporated into the document and the detailed analysis of the responses received in the consultation are available at www.arera.it.