

Results of the auction organised by Red Eléctrica

In 2024, the peninsular electricity system will have available an active demand response service of nearly 609 MW

This is the second auction after the coming into force of this service in 2022, and its purpose is to provide greater flexibility to the operation of the system at specific times.

A total of 19 participants, with facilities that have a consumption equal to or greater than 1 MW, have taken part in the online auction.

Bidders allocated the service will be remunerated with €40.82 per megawatt and hour for their availability to reduce their demand load at specific times when it is deemed necessary.

Madrid, 5 December 2023

The Spanish mainland electricity system will have in 2024 a total of 609 MW of demand-side response capability from consumers and retailers who participate directly in the wholesale electricity market, this figure represents an increase of nearly 23% compared to last year's auction. This data is the outcome of the second auction of the active demand response service auction organized yesterday by Red Eléctrica, and which is now available on the e-sios website.

This service is an energy-balancing mechanism encompassed in current regulations in order to guarantee the necessary balance between generation and demand. It can be applied in specific situations in which the system operator determines that there are not sufficient resources to maintain adequate reserves for the system.

In accordance with this mechanism, the bidders awarded the service agree to reduce their demand, after being requested to do so with at least a 15-minute notice, for a maximum period of 3 hours per day. The applicable period established for the activation of the service, in line with the auction terms and conditions, runs from 1 January to 31 December 2024.

Details of the demand-side service

This service is available only to consumers and retailers with a demand of at least 1 MW and, therefore, does not apply to domestic consumers or small companies. In this second

auction, a total of 19 participants submitted their bids through the system operator's online information system (e-sios).

The successful bidders awarded the service will be remunerated with €40.82 per megawatt and per hour allocated in exchange for their availability to reduce their consumption in time periods established for the provision of the service

On the other hand, the activation of the service will be remunerated at the then-current tertiary control price for the hour the service is requested.

A tool that provides greater flexibility for the system

Red Eléctrica has been promoting the participation of demand-side ancillary services in system operation for years as it represents a tool that provides the system operator enhanced flexibility in the operation of the system and promotes the decarbonization process. Countries such as France, Portugal and the United Kingdom also have different specific mechanisms for demand-side services that enable said countries to take advantage of such demand-side resources to help cover the flexibility needs that the electricity system operator may require.