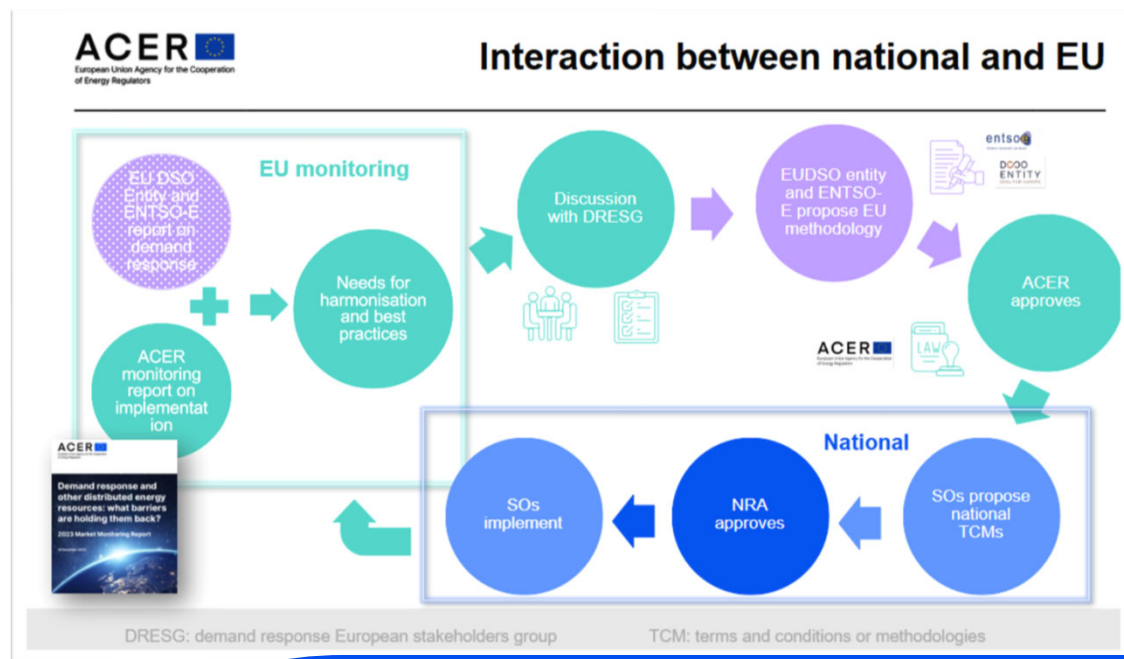


Monitoring market-based procurement of congestion management: planning, subtopics, high-level questions

DRESG meeting
6 October 2026

Demand response monitoring: why?



The aim is to better understand what has been already implemented and to identify best practices, so that we are well-prepared when EU methodologies need to be developed/approved.

Before the implementation of the DR NC, the monitoring covers the national implementation following the European Regulations (national transposition of the Electricity Directive and implementation of EU methodologies).

DR monitoring: Focus topics

Market monitoring report: one focus topic per year



Aggregation models
2025-2026



MB congestion management
2026-2027

Consultation with stakeholders and NRAs (through DRESG, EB TF, DR PT) in different stages of the process, with sufficient time for comments/input/discussions, to ensure that the input is taken into consideration.

Prequalification
2027-2028



DR NC monitoring: topics

2025-2026

- Focus topic 1:
**Aggregation
models**

2026-2027

- Focus topic 2:
**Market-based
procurement of
congestion
management**

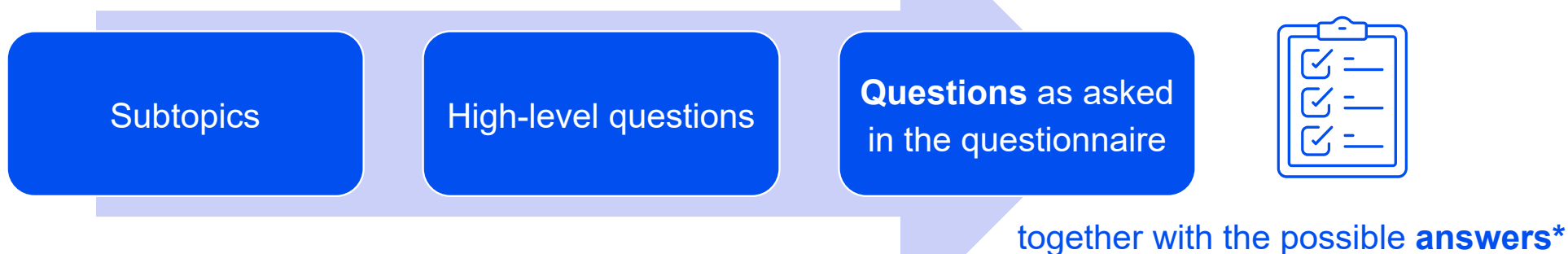
2027-2028

- Focus topic 3:
Prequalification

- The implementation of the focus topics follows the requirements of the [current legal framework](#) (Electricity Directive, Electricity Regulation, EB Regulation).
- The [aggregation models](#) was selected as the first topic, since it has been widely implemented by some MSs, and other MS expect for a European guidance to start the implementation.
- **The [market-based procurement of congestion management](#) has been developed a lot in the last years and there is a need for starting the discussions.**
- The [prequalification](#) is discussed already now with TSOs (for the standard balancing products) so the monitoring of that can be postponed.

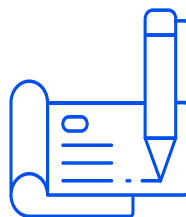
Questions, indicators, cases, good practices

For each of the three **focus topics** (mentioned in the previous slide):



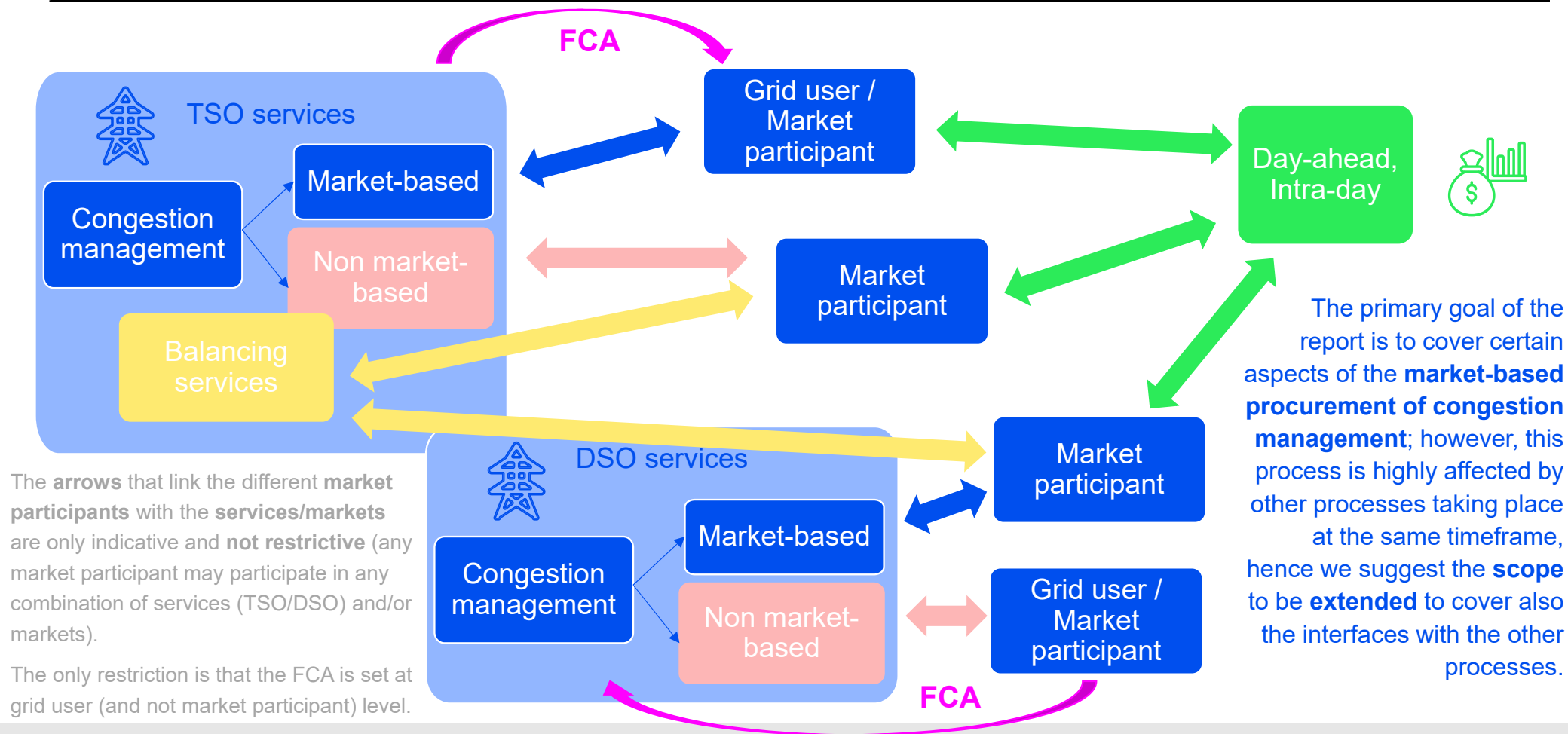
- for quantifiable questions, **indicators** will be defined, taking into account the target as well as **good practices**

- analysis of different **cases** will provide input in the identification of **good practices**



*for the closed-ended questions; there will also be open-ended questions with guidance on the expected reply

Interactions in the timeframe of congestion management

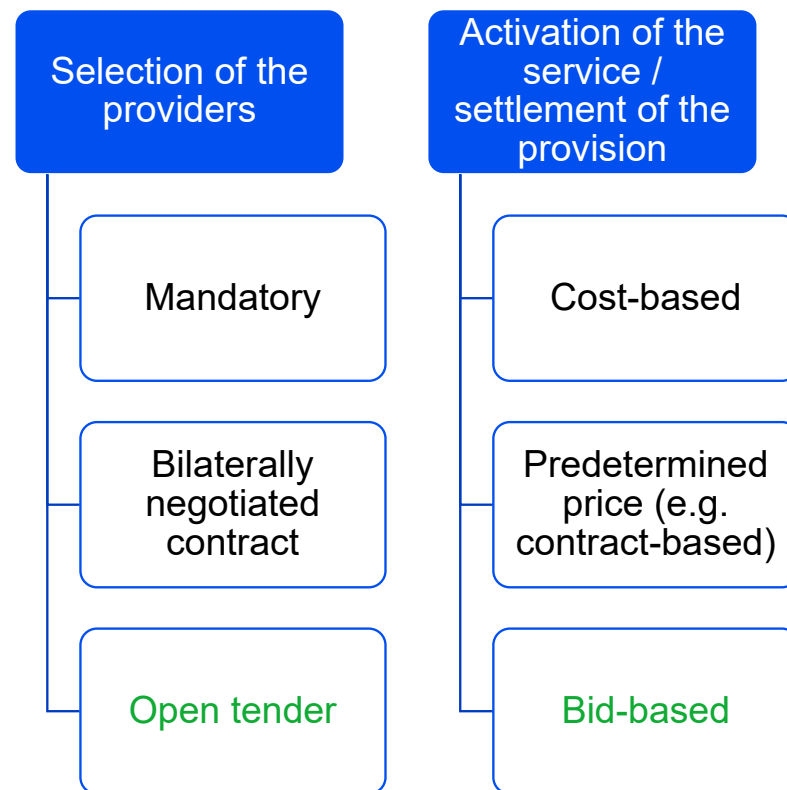


This is a simplified representation: system operators do not need only these services, and the interactions with market participants are more complicated.

Market-based and non-market based procurement

- What do we mean:
 - **Process** for the **selection of the assets/providers** to provide a specific service.
 - **Process** for the **activation/settlement of the service**.
- Each of the two may or may not be **market-based**.
- There are different combinations for the design of the two processes (and their interactions).
- To characterise the procurement of a service as market-based, it is sufficient if **one of the two** processes follows a market-based approach.

*Note: However, when discussing **barriers**, it is not sufficient to have a market-based procurement process, but we need to ensure that this process is also **open to all resources** (or at least that it doesn't exclude some by design).*



Market-based procurement of congestion management: subtopics

2026-2027

• **Focus topic 2:**
Market-based
procurement of
congestion
management

CM is **broad** topic, so the monitoring will focus on specific aspects that are relevant from a **regulatory perspective**, based on the implementation of the **existing EU framework** and providing **input for the future NC DR TCMs**.

Coordination and multi-market participation

- ...
- ...
- ...

Procurement methods and settlement mechanisms

- ...
- ...
- ...

Products and attributes

- ...
- ...
- ...

Market-based procurement of congestion management high-level questions

2026-2027

• **Focus topic 2:**
Market-based
procurement of
congestion
management

Coordination and multi-market participation

- Market operator role
- Coordination between DSOs, TSOs and electricity markets
 - Coordination models and conflicting activations
 - Possibility of forwarding bids and using bids from other markets and other possible models
 - Value stacking and stackability
- Flexible connection agreements
- Non market-based procurement of CM
- Demand response participation

- Regarding the **market operator role**, the aim is to identify the different governance set-ups, e.g. where the role is assigned to another SO or a third entity, or where certain tasks are delegated to a platform operator.
- **Coordination between DSOs, TSOs and electricity markets**: monitoring how coordination is organised, including the management of potentially conflicting activations, the sharing and forwarding of bids across markets, and the implementation of value stacking and stackability.
- **Flexible connection agreements** – number and type of agreements, activation frequency, volumes affected and contribution to congestion relief.
- **Non-market-based procurement of CM** – frequency, volumes, costs and effectiveness of non-market-based measures in addressing congestion.
- For the **demand response** the aim is to see markets where demand response can participate, existence of rules enabling demand response participation across multiple markets and restrictions on simultaneous participation in multiple markets.

Comments?

Are there high-level questions related to **coordination and multi-market participation** that are missing (do not fall under any of the categories) and we would like to monitor?

Market-based procurement of congestion management

high-level questions

2026-2027

• **Focus topic 2:**
Market-based
procurement of
congestion
management

Procurement methods and settlement mechanisms

- Procurement models
- Frequency of procurement processes and timeframes
- Activated volume, delivery of service and DMDs
- Settlement rules and pricing mechanisms
- Measures against abusive behaviours

- The aim is to understand which **procurement methods** exist (tender procedure, auction, continuous procurement, bilateral agreements...), the **frequency** and **timeframes**.
- On the **activated volume and delivery of services**, the aim is to identify how the activated volume is determined (metered vs. requested) and, where metered values are used, to assess the use of DMDs.
- Regarding **settlement rules and pricing mechanisms**, the aim is to understand how remuneration is calculated and settled, and which types of remuneration are implemented (e.g. availability payments, activation payments, and penalties for non-delivery).
- Regarding **measures against abusive behaviours**, the aim is to identify how abusive or strategic behaviour by market participants is prevented and addressed, including through monitoring, penalties, and other safeguards.

Comments?

Are there high-level questions related to **procurement methods and settlement mechanisms** that are missing (do not fall under any of the categories) and we would like to monitor?

Market-based procurement of congestion management high-level questions

2026-2027

• **Focus topic 2:**
Market-based
procurement of
congestion
management

Products and attributes

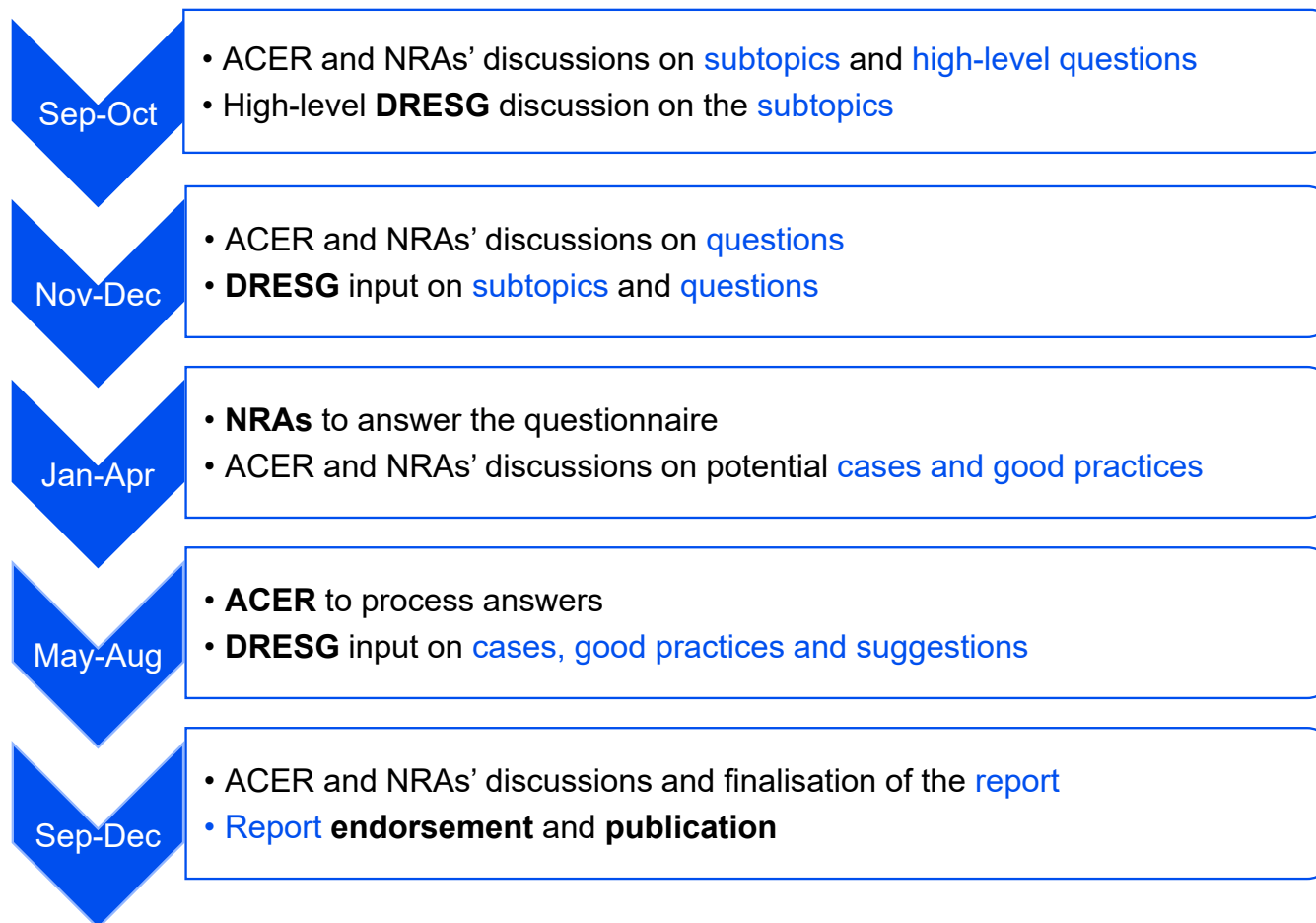
- Products
- Geographical scope
- Minimum/maximum quantity
- Activation time and duration (validity period)
- Data exchange standards and interoperability

- The aim is to understand what **kind of products** are implemented and their **main attributes** (the ones that are relevant, looking also at a potential future harmonisation); here we include quantity, activation time and (contract) duration or validity period.
- The **geographical scope** is important for congestion management and something that we didn't have so far in EU product discussions, so the aim is to better understand how this is implemented and the (market) impact of it.
- One of the main topics heavily discussed in the DR NC context was the (non harmonisation of) **data exchange standards and interoperability**; the aim is to identify how they are used, and if that creates barriers.

Comments?

Are there high-level questions related to **products and attributes** that are missing (do not fall under any of the categories) and we would like to monitor?

Timeline: Market-based procurement of congestion management



Thank you. Any questions?

The contents of this document do not necessarily reflect the position or opinion of the Agency.



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