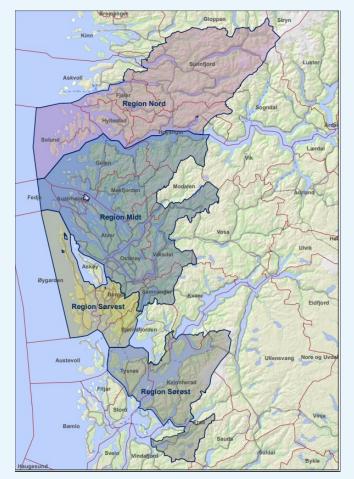
Flexibility needs of a DSO

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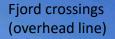


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BKK AS

- Electrical grid company in Western Norway
- Around 260 000 customers
- All voltage levels from 145 kV to 230 V
- Around 22000 km







Climate and geography









Regulatory rules in Norway –

the separation of grid infrastructure and commercial affairs

Electric grid companies

- Grid infrastructure
- Monopoly
- Strictly regulated by government rules

Commercial companies

- Electric power production
- Buying and selling of electricity
- Internet infrastructure
- Commercial charging stations for vehicles, ships, etc.



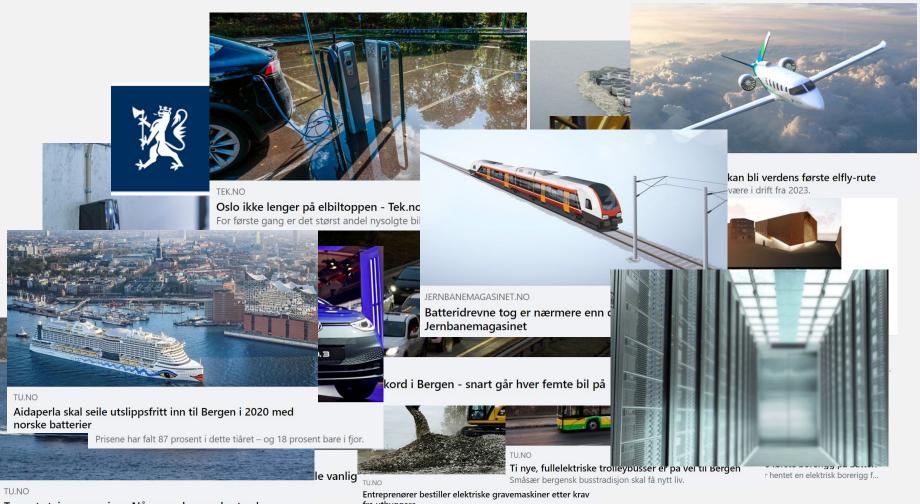


AGENDA

Flexibility needs of a DSO

• The why?

- The challenges we faceThe how?
- Pilots we are working with



Trosset steinras og virus: Nå er verdens raskeste elkatamaran klar til bruk

fra utbyggere

Background

Huge consumption plans launched in a short time

- The last ten years has seen a consumption growth of about 1.5% per year
- During the next ten years, there can be growth of about 10% per year
- Two-thirds of the consumption growth is because of the new industries, one-third is related to electrification of the petroleum industry

Historical consumption and the forecast



Source- Regional Kraftsystemutredning for Midtre Vestland 2022 - 2042

Challenges for the grid operation...

- In 2021, the maximum load was around 2 200 MW
- Around 2035, the expected maximum load is close to 5 000 MW
- Its an increase around 3 000 MW \rightarrow 150 %

This cannot be solved by simply expanding more grid and capacity. What's the solution?







One of the alternatives -Demand response

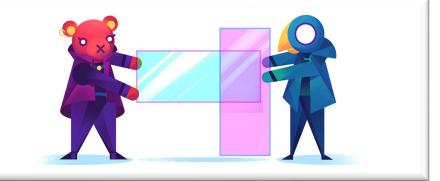
Its the ability and willingness of a customer or a producer to adapt the consumption or the production of electricity to provide a service to the power system (Source - CINELDI)

Example – Cutting off certain loads during peak load hours

Flexible resources can be consumers, production from renewage sources, storage (batteries, electric cars, boilers)

Flexibility - Challenges

- Actual available end-use flexibility is situation based. It varies with prices, temperature, load conditions, access to substitutes
- End-use flexibility can therefore not appear as an available stable and quantifiable resource without this being put into a specific supply situation



Alternatives?

- Power tariffs
- Disconnection tariffs
- Special agreements
- Bilateral agreements
- Auction/Tender
- Flexibility markets



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DISCONNECTION TARIFFS (FLEXIBLE CUSTOMERS)

- Already in use for many years now
- Customers sign an agreement with certain terms for shutdowns when the grid is heavily loaded (or when there is a need)
- Customers have a lower tariff than the other normal customers

Types of agreements

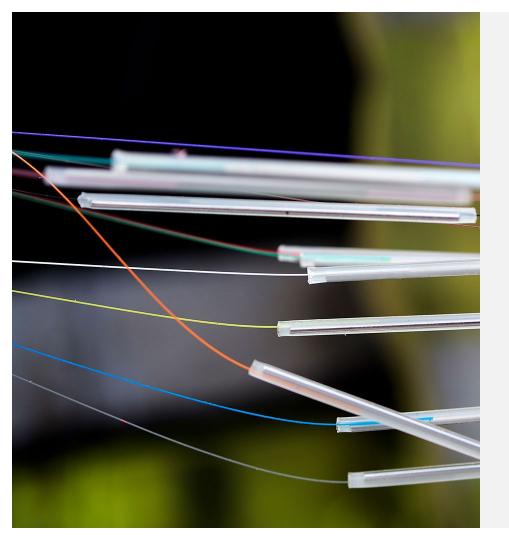
- Shutdown instantaneously, indefinitely
- · Shutdown instantaneously, for maximum of 14 days/ year
- Shutdown instantaneously, for a maximum of 4 hours/ day

No proper system to control / monitor

Alternatives?

- Power tariffs
- Disconnection tariffs
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Connection to the grid with specific terms

- Guidelines for BKK (as of today)
- Not obligatory for both parties
- Connection with ordinary terms and conditions will always be our standard solution
- Only applicable to high-voltage customers or low-voltage customers who are only one connected to the station
- Technical requirements (remote controlled switch)
- Two main situations
 - temporary solution until a planned grid reinforcement is in operation
 - Iong term, Indefinitely



CONNECTION WITH SPECIFIC TERMS

As a temporary solution until a planned grid reinforcement is in operation

- The customer is allowed to connect to the grid earlier than otherwise possible
- Must expect shutdowns in this temporary phase
- When the planned grid investment comes to operation, the customer must pay the connection charges
- The customer must commit to pay connection charges already now

Long term, indefintely

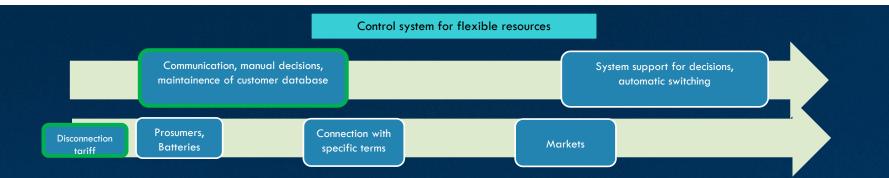
- Most relevant in cases where it is extra costly to establish redundancy
- The customer can connect to the grid without paying the connection charges for the redundancy
- In these cases, the customers must have an alternative power supply

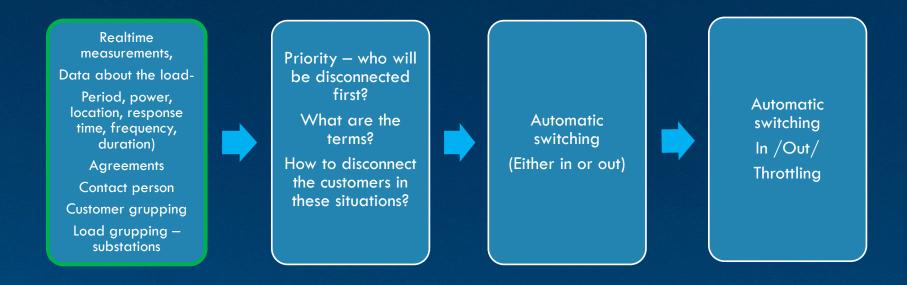
TERMS WE SHOULD SET

Only applicable as an alternative to full redundancy

- Instantaneous shutdown when the main supply is disconnected
- The shutdown time will be as long as the grid component is disconnected
- No restrictions on the shutdown time
- No agreements on a warning time before shutting down, including planned shutdowns
- Withdrawal

Monitoring of these flexible resources





The challenges

- Establishment of agreements (connection with specific terms)
- Missing system and tools (agreements)
- Automated solutions manual handling of disconnections
- Communication with customers Do they understand the consequences?
- Process in BKK
- Cost benefit Grid investment vs.
 Flexibility



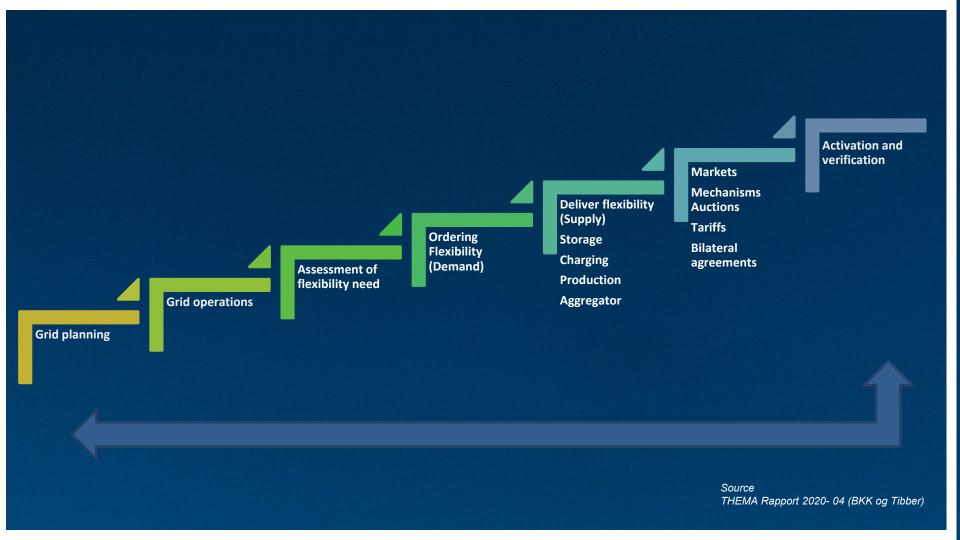
MARKET BASED FLEXIBILITY

Manage the growth in grid loads during peak hours to delay investing in reinforcements using market based flexibility

Pilot in concept phase

- Førde city center experiences heavy loads several days per year and this requires changes in the regional grid to maintain redundancy
- Who can offer the flexibility in the area?
- Industrial customers, Aggregators
- What can we do if customers are not available when needed?
- Incentives
- Cost- and risk analysis





Competence shift towards digitalization

- ICT skills Data management
- Analysis skills
- Knowledge sharing between DSOs, TSO, research institutions
- Educating the customers
- Suppliers



Any questions? Thanks for your attention and time!

