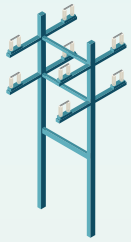
STREAM
STREAMING FLEXIBILITY TO THE POWER SYSTEM

STREAM POLICY RECOMMENDATION FOR LOCAL FLEXIBILITY MARKETS

FINLAND

Let flexibility compete with investment on equal terms

Local Flexibility Markets (LFMs) let DSOs buy flexibility from aggregators, consumers, energy communities and storage operators instead of reinforcing the grid. Finland has strong enablers: nationwide smart metering and the joint Fingrid and Helen Sähköverkot pilot on the NODES platform, the first European example of a shared TSO-DSO flexibility marketplace. The constraint lies in economic regulation, which still rewards capital investment over flexibility procurement. These are the five changes we propose to unlock flexibility procurement.



What needs to change

1 Reform the regulation model

Revise the regulation model so that flexibility procurement (OPEX) and grid investment (CAPEX) compete on an equal regulatory footing, with clear cost recovery for long-term flexibility contracts.

Energiavirasto

2 Mandate flexibility assessments in development plans

Require market-based flexibility assessments in network development plans under the Electricity Market Act (588/2013), implementing Article 32 of Directive (EU) 2019/944.

Legislator

3 Keep tariffs neutral for flexibility providers

Ensure that capacity-based and peak-based network tariffs do not penalise consumers and aggregators who provide flexibility at the request of the DSO.

Energiavirasto & DSOs

4 Agree TSO-DSO priority rules now

Build on the Fingrid and Helen pilot to define coordination mechanisms and activation priority rules before TSO and DSO flexibility needs diverge.

Fingrid & DSOs

5 Allow revenue stacking

Permit participants to combine revenues from local congestion management, wholesale market optimisation and reserve markets, with clear rules on priority and conflict resolution.

Regulator & market operators

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