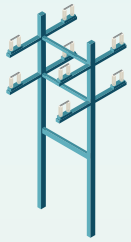
STREAMING FLEXIBILITY TO THE POWER SYSTEM

STREAM POLICY RECOMMENDATION FOR LOCAL FLEXIBILITY MARKETS

SLOVENIA

Grant DSOs the legal right to buy flexibility

Local Flexibility Markets (LFMs) let DSOs buy flexibility from aggregators, consumers, energy communities and storage operators instead of reinforcing the grid. STREAM's regulatory analysis shows that LFMs will not scale in Slovenia without targeted changes to national rules. Slovenian DSOs currently have no explicit legal basis to contract flexibility services, so market-based solutions remain unused even where reinforcement is slower and more expensive. These are the five changes we propose to unlock flexibility procurement.



What needs to change

1 Amend the Energy Act (ZOEE)

Explicitly permit DSOs to contract flexibility services for congestion management, voltage control and network reliability, and define the conditions for their use, for example when a cost-benefit analysis shows flexibility beats reinforcement.

Legislator & Ministry

2 Define the DSO as a neutral facilitator

Establish in law that DSOs act as market facilitators and neutral procurers of flexibility, not as market participants or owners of flexibility assets.

Legislator & Regulator

3 Require non-wires assessment in every network plan

Make the systematic assessment of flexibility as an alternative to reinforcement a mandatory part of network development planning and investment approval.

Regulator (AGEN)

4 Recognise flexibility costs in tariffs

Treat flexibility procurement as legitimate regulated expenditure in tariff methodologies, with transparent cost recovery, so that DSOs are not financially penalised for choosing flexibility over investment.

Regulator (AGEN)

5 Set interoperability rules with national markets

Define coordination and data exchange rules between local flexibility markets and national balancing markets to prevent conflicting activations between the distribution and transmission levels.

AGEN & ELES

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This project has received funding from the European Union's Horizon Europe research and innovation programme under grant agreement No 101075654.