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## Summer Outlook: Elia calls for vigilance from market parties this summer

- In the months ahead, with a lot of solar energy but low consumption levels, there is a real chance that there will be surplus electricity at times, meaning that exports will be much needed.
- The reason for this is the high level of availability of the nuclear fleet and the substantial increase in renewable (especially solar) energy.
- Elia relies primarily on the market (in the form of balance responsible parties, or BRPs) to ensure the balance between electricity supply and demand. Negative prices will occur on the imbalance market.
- If the market fails to maintain balance on the grid, Elia has a number of technical tools it can use to intervene if necessary.
- In the long term, it is absolutely vital that more flexibility is deployed to support the system.

**BRUSSELS | There is a real chance in the months ahead that our energy system will come under pressure on days when a lot of renewable energy is produced but consumption levels are low. That is the finding of the summer outlook in which Elia maps the export requirements for the months ahead across various scenarios (with high, moderate and low likelihoods of occurring). Elia has noticed a huge increase in the number of additional solar panels in Belgium since the beginning of 2023. According to forecasts, we will have approximately 10 GW of installed panel capacity in Belgium by July 2024. Together with the high level of availability of the nuclear fleet in certain situations, this causes electricity surpluses and so entails substantial export requirements. The market has been given this information so that it can prepare properly. Elia calls on market parties to be vigilant. In the long run, the answer is flexibility, namely tailoring our consumption to cater for times when a lot of energy (in particular, cheap energy) is available.**

### A risk to the stability of the grid, not to supply

The summer outlook highlights the problem of incompressibility or overproduction. This means that power generation far outstrips demand and we see big surpluses of electricity. This leads to substantial export requirements (up to 7.5 GW). This may happen not only if the weather conditions (and therefore the availability of renewable energy) have not been assessed correctly, but also if there is little consumption and a lot of production (especially during



weekends in the summer). If there are large surpluses in Belgium and in neighbouring countries, this may result in an increase in frequency. This has an impact on the whole European system and so must be avoided.

### The market plays its role first

Initially, it is up to the market parties to ensure balance between supply and demand. Elia provides them with all the information needed to prepare. This summer outlook gives them an initial overview of the situation. Once more up-to-date and relevant information is available, it will be immediately shared with them (via market messages and warnings). We also expect periods with (very) negative prices on the imbalance market. Market parties are then compensated to shed production or activate consumption.

### Elia can then intervene if necessary

If balance cannot be restored by the market itself, Elia can intervene by using all kinds of flexibility products offered by the market, including offshore wind farms. As a backup solution, Elia can seek assistance from grid operators abroad. In exceptional circumstances, Elia could switch off the larger solar farms or onshore wind farms, cogeneration or hydroelectric energy.

### Flexibility as an urgent solution in the long term

Incompressibility will become ever more common in the future. This makes it important to create enough flexibility in the system. This will help us to deal not only with sudden phenomena (for example, when weather forecasts are wrong) but also to deal with periods of low consumption and high renewable production (currently mainly on sunny days in the spring/summer). Tailoring our consumption to when a lot of (cheap) renewable energy is available benefits not only the system but also, above all, the consumer.

*"The problem of incompressibility poses a number of challenges in the short term, but we hope that the solutions will make the system more robust in the long run. It's forcing us to now look for flexibility that we'll need in the long term and that will benefit both the consumer and the electricity system."*

**James Matthys-Donnadieu (Chief Customers, Markets & System Officer)**



## About Elia Group

### One of Europe's top 5 TSOs

Elia Group is a key player in electricity transmission. We ensure that generation and consumption are balanced 24/7, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we operate 19,460.5 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with the robust power grid that is so important to socio-economic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

### We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

### In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we engage in proactive stakeholder management by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

### International focus

In addition to its activities as a transmission system operator, Elia Group provides consulting services to international customers through its subsidiary Elia Grid International. In recent years, the Group has launched new non-regulated activities such as re.alto – the first European marketplace for the exchange of energy data via standardised energy APIs – and WindGrid, a subsidiary which will continue to expand the Group's overseas activities, contributing to the development of offshore electricity grids in Europe and beyond.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

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