



## PRESS RELEASE

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## DEMAND RESPONSE: ENEL X AWARDED 62 MW IN LATEST TERNA AUCTIONS

- *Enel X confirms its position as one of the main players in the development and spread of new advanced energy flexibility services.*

**Rome, July 6<sup>th</sup>, 2018** - Enel X, the Enel Group division dedicated to innovative services and digital solutions, confirms its position as one of the main players in the development and spread of new advanced energy services such as **demand response** in Italy and elsewhere.

In the last two pilot auctions launched by Italy's transmission system operator Terna for the forward supply of resources reserved for holders of virtual consumption units authorised to participate in the dispatching services market (UVAC, the market's Italian acronym), Enel X was awarded a total of 62 MW of flexibility drawn from its own industrial and commercial customers.

This award is a major milestone, marking the entry of Enel X as a service aggregator in the Italian market. The third round of demand response auctions launched by Terna since summer 2017 represents an important sign of continuity and interest on the part of the Italian grid operator in flexibility services.

Demand response is a dispatching service provided by consumers, coordinated by "aggregators" (such as Enel X), through the management of energy demand flexibility, which can be modulated in response to system needs. This management lends greater elasticity and stability to the grid through the more efficient use of energy resources.

In line with what Enel X is doing in other countries (the United States, Canada, the United Kingdom, Ireland, Poland, Latin America, Asia, Australia and New Zealand), Enel's innovative services division is also building a demand response portfolio in Italy with the aim to help support the stability of the grid through consumption modulation. During the pilot programme, different customer segments are authorised for dispatching services and, as a result, they can adjust their power consumption in response to electricity supply or demand peaks. Through its contracted customer base of authorised virtual consumption units, Enel X can thereby provide Terna with 62 MW of "modulating capacity" this summer, which will be activated in response to the needs of the grid operator, whenever it transmits its balancing orders.

*"In an evolving European context and in a world in which the energy transition is leading to new forms of power generation and demand management," said **Alessio Torelli, Head of Enel X Italia**, "this experimentation is key and opens the road for Enel to create a hub of excellence, confirming our ambition to play a leading role as an aggregator in the Italian electricity market. These pilot projects are a small first step towards the comprehensive reform of the power services market, which, through the full participation of all resources, will make it more suited to the rapid transformation under way in the electricity system."*



Demand response is a major **paradigm shift** in Italian electricity dispatching, considering that until recently only power generation plants were authorised to participate in the services market, while now electricity users and distributed generators can take part through aggregators like Enel X. These latest auctions have seen the participation of Enel X customers from different industrial sectors and of different sizes.

The process for the management of balancing orders and the control/monitoring of plants will be handled through the demand response platform of EnerNOC, a company acquired by Enel X, which has been active in this sector for years in America and Europe. This platform is one of the most advanced in the industry, and makes it possible to maximise the value of customer aggregates, leveraging on their different characteristics and availability.