

## Press Release

Amsterdam/Dortmund, August 2011

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### CoRe-project initiated

**The Dutch based Foundation for Research on Market Design and Energy Trading (FORMAET) and the Institute of Energy Systems, Energy Efficiency and Energy Economics (ie<sup>3</sup>) at TU Dortmund University have signed the contract funding Research on the Future provision of Control Reserves (CoRe).**

“As Europe is striving to increase the share of renewable energy sources for electrical power production the technical challenges change significantly. Therefore we believe it is important to carefully examine the Ancillary Services needs and the market design for procuring it”, Thomas Niedrig of FORMAET explains. This issue is one of the topics defined by the foundation as being important to further develop the European Energy wholesale market.

At present the TSOs throughout Europe, being responsible to balance supply and demand in their respective area, procure ancillary services in very different ways. Overall utilization of conventional plants is likely to decline and there might be situations where conventional plants might not operate at all to cover demand or at least where the rotating masses of conventional capacity is insufficient to cover the basic stability and reserve requirements. In addition, the geographical distribution of power production across Europe is changing.

In order to address these challenges the market design for TSOs procuring Reserve Capacity, Balancing Power and other Ancillary Services might need to evolve from its current status. FORMAET believes that the Institute of Energy Systems, Energy Efficiency and Energy Economics at TU Dortmund University is well suited to provide a combined view on technical needs and potential market structure.

Christian Rehtanz, Head of the ie<sup>3</sup>, says “With the totally changing structure of electrical power generation over the next years, we have to adapt the network and market structure significantly. The ancillary service provision and its market are key factors in this context.”



Dr. Thomas Niedrig, FORMAET      Prof. Dr.-Ing. Christian Rehtanz, ie<sup>3</sup>, TU Dortmund  
(Foto: ie<sup>3</sup>, TU Dortmund)

The Research will be executed by Thorsten Schlüter, research associate at the ie<sup>3</sup>. “Comparing the different market designs for ancillary service procurement throughout Europe nicely fits into research

I've done so far", he says. "Analyzing the appropriate amount of reserve capacity needed in the future and which kind of capacity could provide it at minimum costs is a challenge I'm looking forward to meet. I hope that the findings can contribute finally to a further improvement of the European Power market. FORMAET not only provides funds that allow me to do the PhD but I appreciate even more the practical perspective added by the foundation" Thorsten Schlüter says.

The sponsorship of the PhD starts 1st of September 2011 and has a duration of 16 months.

**FORMAET** (Foundation for Research on Market Design and Energy Trading) was set up to further improve the understanding of wholesale traded energy markets in Europe. FORMAET has been founded to address the concern of individuals and companies active in the industry for which decisions made on the market design of the Energy Sector in Europe recently have lacked consistency and may lead to inefficient markets. The foundation is registered in Amsterdam number 34332825 as a non-profit organization and will use all its funds raised by [sponsorship](#) of companies to pursue its objectives. Members of the Board: Peter Heydecker, Alpiq, Samuel Leupold, BKW, Marcel Cailleau, GdF Suez, Vincent van Lith, BHF Bank and Thomas Niedrig, also acting as Secretary General

**Institute of Energy Systems, Energy Efficiency and Energy Economics** at TU Dortmund University is focused on system-technical considerations for a future power supply. For this, technologies in the areas of control technology, power electronics, central, distributed and renewable energies as well as storage systems are investigated for the special needs of future power systems and integrated in the entirety of the power supply and power markets. The overall purpose is the investigation of technically and economically feasible ways for an ecological and sustainable power supply. Concerning this research topic, the ie<sup>3</sup> brings in its knowledge in power economics and power systems. This includes for example the comprehensive experience in European power markets. The institute is also familiar with economic analysis due to the integration of decentralized power generation units in line with the market. Head of the ie<sup>3</sup> is Prof. Dr.-Ing. Christian Rehtanz.

#### Contacts:

FORMAET  
Foundation for Research on  
Market Design and Energy Trading  
Dr. Thomas Niedrig  
Keizersgracht 62-64  
NL-1015 CS Amsterdam  
Phone: +31 20 5207 993  
e-Mail: [secretariat@FORMAET.org](mailto:secretariat@FORMAET.org)

Institute of Energy Systems, Energy Efficiency and  
Energy Economics (ie<sup>3</sup>) at TU Dortmund University  
  
Prof. Dr.-Ing. Christian Rehtanz  
Emil-Figge-Straße 70  
D-44227 Dortmund  
Phone: +49 231 755 2395  
e-Mail: [Christian.Rehtanz@tu-dortmund.de](mailto:Christian.Rehtanz@tu-dortmund.de)