

To us, like you, it is also clear that flex, and definitely Residential Flex, is not emerging organically. We've written extensively about that in our [H E M S report from december 15](#), translated in English. Even when it is based on the Dutch situations,

In our vision, the market should lead in developing Flex, Home Energy Management (HEM) and H E M systems (HEMS). That is the consequence of the general 'market first principle', to which both the Dutch government as the EU are complying, as I believe is also the UK general approach. That is what I like about your approach: you understand that 'the market' can use some help to get to the desired results.

Supply side: Energy Flexibility / Energy Management helps to raise the value of sustainable energy, since it helps to take away or diminish some challenges of sustainable energy, related to grid challenges, peaks, low-peaks, intermittency etc.

Demand side: Energy Flexibility / Energy Management helps to accelerate the energy transition, it helps to manage challenge in the fast electrification of industry, commerce and daily lives / homes.

Yet, Energy Flexibility / Energy Management needs to be easy and cheap to implement and run, else it won't take off. There is a classical chicken and egg here: markets will not converge to standards automatically since there is no real business reason to do so.

Our societies need parties that enable 'the good' with the right regulations, on a neutral base. We believe that the market can be helped with the right guidance, the right laws and regulations, that are simple and clear, but also smart enough to avoid undesirable situations, like monopolies, unfairness or lock-in. In short, we need 'carrots and sticks'.

In our discussion, you've mentioned the Common Digital Infrastructure platform, supplying amongst others

1. Transparency
2. Coordination
3. Trusted governance
4. Settlement

I believe that that is a very promising approach. Non-market based parties can help set the right infrastructure to make energy management happen. They can

1. Set the right regulatory framework for tariffs, settlement etc, for an equal level playing field for all market-parties, with the right incentives (a greener world, faster).
2. Support and enable market design and digital platforms and integrations for the future.
3. stimulate and enforcing the adoption of standards and open protocols. There will be no efficient energy management without them, when there are just silo's.
4. Leave qualities of market parties

I believe that regulated bodies should really play the role of *enabler*, creating the right conditions, but there I believe there the responsibility stops. Leave the execution to the market. Market based partners have the skills and capabilities of setting up viable partnerships. They know how to engage with customers; they know to set up attractive, innovative propositions, they know (the psychology)

of regular users, customers etc, and how to *nudge* them into change.

In the Netherlands we have now a Market Facilitation Forum ([English website](#)), where regulated parties and market parties can find each other in the common goal of creating the right incentives and environment for the energy system of the future. We also have [GOPACS](#) (English website with [explainer video](#)), an TSO&DSO initiative to enable the market to help solving Congestion Management.

