The new Electricity Market Design – a smart regulation for smart distribution networks?

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EDSO for Smart Grids

Association created in April 2010
36 members
in
20 countries

connected to
190 million metering points
serving more than
350 million EU citizens

€20 billion of annual investments
€68.7 billion of annual turnover

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EDSO represents power distribution companies
The new energy system: DSOs at the centre
The energy sector is disrupted by the digital revolution.
DSOs are leading Smart Grids investments

JRC Smart Grids report, July 2017
DSOs and Smart Grids: two examples of demonstrators

Co-financed by the Horizon2020 programme

Consortium of 18 partners in 10 Member States
4 years, 19M euros budget

18 Partners covering 10 EU member states
Provide valuable data services to external players

**Open Data and Territories Datalab**
- Consumption and production, listing of production infrastructures, regional loading curves aggregates, infrastructures mapping...

**Control of the energy demand (MDE)**
- Development of methods and experiments via smart grids to evaluate MDE

**Thermosensibility**
- Thermosensibility at customer, building, neighbourhood levels
- Analysis of renovation impacts
- Identify uses (cooling, heating ...)
- Cross data with thermography

**Public Lightning service**
- Information given to communities regarding power disruptions (D+1) on their public lightning sites (equipped with Linky smart meters)

Example of Enedis
Electricity Market Design: a DSO perspective

1. **DSO Entity**: an effective and operational framework for the EU DSO entity

2. **Match DSO/TSO responsibilities** on network codes and data management; ensure DSOs’ **access** to all necessary data & maintain data formats already in place at Member State level

3. **Encourage DSOs to innovate** – and not take away important means and instruments

4. **Enable DSOs to use all flexibility options**, including **storage** as a regular network asset

5. **Respect the diversity of national tariff structures**
For an effective and operational framework for the EU DSO entity:

- A fair and proportional representation of DSOs according to the number of connected customers (rejection of the proposed Board 9/9/9 division)

  Prescriptive governance and voting rules (Art 50a) should be left for the Entity’s Statutes – similar to ENTSO-E’s setup

Secure a level playing field with the TSOs
Possible restriction of future DSO roles (New Art. 36(a) Electricity Directive)

- **Parliament’s Art 36 (a) Directive** prohibiting future DSO activities as a concern

- **No similar restrictions are foreseen for the TSOs**

- **Major role for DSOs in deploying and operating charging infrastructure**
Use of flexibility for DSOs, incl. storage (Art. 31, 32, 36 Electricity Directive)

• Enable DSOs to use all flexibility options, including storage as a regular network asset (rightly recognized by Council)

• Parliament’s position needs improvement to ensure symmetrical regulatory treatment of DSOs and TSOs

• Give Member States discretion to decide on consultation processes related to DSOs’ network plans (to be carried out by the DSOs according to NRAs’ guidelines)
DSO/TSO responsibilities on network codes and data management (Art. 54, 55, 27 Electricity Regulation)

- Matched responsibilities and reciprocity of TSO and DSO involvement in the drafting

- Ensure DSOs’ access to all necessary data, maintain data formats already in place at member states’ level

- First carry-out a thorough cost-benefit analysis before mandating a common EU data format

- EDSO supports the Council’s proposal which suggests that interoperability standards are sufficient
Example of DSOs data management: data platforms

- Initiated by the Austrian association of grid operators “Österreichs Energie”
- Shared data exchange infrastructure used for various market communication processes (supplier switching, meter data exchange, billing data exchange, nominations)

EDA
Energiewirtschaftlicher Datenaustausch

- Shared service organization for market facilitation
- 100% owned by grid operators (DSO/DNO’s and TSO’s)
- Organization with highly standardized processes and interfaces

EDSN
Energie Data Services Nederland

- Created on the 15th September 2017
- 170+ energy distribution operators
  Gas & Electricity

AGENCE
Opérateurs de Réseaux d’Énergie
Network tariffs (Art. 16.7, 16.9, 55.1(k) Electricity Regulation)

• Support an enabling framework which respects the **diversity of national tariff structure**

• Remove **the need for a new network code on harmonised distribution/transmission tariffs**, and centre **ACER’s role** to a best practice report or feasibility study

• Rules on network tariffs are **best implemented at the national level** under NRAs’ supervision

• Caution **against the Parliament’s proposal of making time-differentiated network tariffs mandatory**, as this solution is certainly not cost-efficient EU-wide
Thank you for your attention!