



## GEODE Amendments Proposals to the European Commission Regulation on the internal market for electricity

<b>AMENDMENT 1</b>	
<b>Article 7,4 Trade on day-ahead and intraday markets</b>	
<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
<p>By 1 January 2025, the imbalance settlement period shall be <i>15 minutes in all control areas</i>.</p>	<p>By 1 January 2025, the imbalance settlement period shall be <i>established according to the Commission Regulation (...) establishing a Guideline on electricity balancing</i>.</p> <p style="text-align: center;"><i>and</i></p> <p><i>New paragraph 4a</i></p> <p><i>National Regulatory Authorities may grant an exemption to the entry into force of the requirement in the paragraph above according to Art. 53 and Art. 62 2 d) of the Commission Regulation (...) establishing a Guideline on electricity balancing.</i></p>
<b>Justification</b>	
<p>The duration of the Imbalance Settlement Period (ISP) has to be aligned with the recently voted and adopted Commission Regulation establishing a Guideline on electricity balancing to be published soon after scrutiny and translations.</p> <p>The Guideline offers the possibility of exemptions under certain conditions and they should be maintained in the Regulation. See Art. 53 and Art. 62.2.d)</p> <ul style="list-style-type: none"> <li>• An exemption can be requested jointly by TSOs within a synchronous area (Art. 53)</li> <li>• Countries that might have different system arrangements than their neighbor countries (synchronous area) have the possibility to request an exemption to be granted by the regulator under the TSO request (Art. 62 2 d)</li> </ul> <p>However, exemptions might be needed for certain Member States, as a 15 minute Imbalance Settlement Period (ISP) might cause problems and huge costs to countries which recently adapted their systems differently (60' or 30') after completing their smart</p>	



metering roll-out or which are about to completing it (eg. Finland, Spain and UK). To implement such a requirement could involve costly changes in replacing metering systems, IT and other infrastructure. The cost for the consumers to carry out this substitution would be significant and potentially result in the stranding of assets.

The implementation period will need to be long enough to recover the costs of implementation. Although 2025 seems far in the future, it is not for smart metering systems with a life time of 10 to 15 years.

**AMENDMENT 2**

**Article 12,4 a) Redispatching and curtailment**

<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
<p>(a) guarantee the capability of transmission and distribution networks to transmit electricity produced from renewable energy sources or high-efficiency cogeneration with minimum possible curtailment or redispatching. That shall not prevent network planning from taking into account limited curtailment or redispatching where this is shown to be more economically efficient <i>and does not exceed 5 % of installed capacities using renewable energy sources or high-efficiency cogeneration in their area</i></p>	<p>(a) guarantee the capability of transmission and distribution networks to transmit electricity produced from renewable energy sources or high-efficiency cogeneration with minimum possible curtailment or redispatching. That shall not prevent network planning from taking into account limited curtailment or redispatching where this is shown to be more economically efficient.</p>

**Justification**

The 5% is not a reasonable requirement. This type of arbitrary limit could have unintended consequences, for example, as barrier to the provision of flexible connection agreements and the early connection of cogeneration facilities or result in suboptimal operation of the system thereby imposing unnecessary costs on consumers.

**AMENDMENT 3**

**Article 12,6 a) and b) Redispatching and curtailment**



TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
<p>Where non-market based curtailment or redispatching is used, it shall be subject to financial compensation by the system operator requesting the curtailment or redispatching to the owner of the curtailed or redispatched generation or demand facility. <i>Financial compensation shall at least be equal to the highest of the following elements:</i></p> <ul style="list-style-type: none"> <li><i>a. additional operating cost caused by the curtailment or redispatching, such as additional fuel costs in case of upward redispatching, or backup heat provision in case of downward redispatching or curtailment of generating installations using high-efficiency cogeneration;</i></li> <li><i>b. 90 % of the net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the curtailment or redispatching request. Where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed, lost financial support shall be deemed part of the net revenues.</i></li> </ul>	<p>Where non-market based curtailment or redispatching is used, it shall be subject to financial compensation by the system operator requesting the curtailment or redispatching to the owner of the curtailed or redispatched generation or demand facility.</p>
<b>Justification</b>	
<p>The criteria for this compensation should be decided by the national regulatory authority based on the relevant national market specifics.</p>	
<p><b>AMENDMENT 4</b></p> <p><b>Article 16,9 Charges for access to network</b></p>	

TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
<p>By [OP: please add specific date – three months after entry into force] the Agency shall provide a recommendation addressed to regulatory authorities on the progressive convergence of transmission <i>and distribution</i> tariff methodologies. That recommendation shall address at least:</p> <p>(a) the ratio of tariffs applied to producers and to consumers;            (b) the costs to be recovered by tariffs;            (c) time differentiated network tariffs;            (d) locational signals;            (e) the relationship between transmission and distribution tariffs, including principles relating to non-discrimination;            (f) methods to ensure transparency in the setting and structure of tariffs;            (g) groups of network users subject to tariffs, including tariff exemptions.</p>	<p>By [OP: please add specific date – three months after entry into force] the Agency shall provide a recommendation addressed to regulatory authorities on the progressive convergence of transmission tariff methodologies. That recommendation shall address at least:</p> <p>(a) the ratio of tariffs applied to producers and to consumers;            (b) the costs to be recovered by tariffs;            (c) time differentiated network tariffs;            (d) locational signals;            (e) the relationship between transmission and distribution tariffs, including principles relating to non-discrimination;            (f) methods to ensure transparency in the setting and structure of tariffs;            (g) groups of network users subject to tariffs, including tariff exemptions.</p>
<b>Justification</b>	
<p>Distribution Tariffs should remain a matter for national regulation and greater convergence across the EU is not required. High level principles are acceptable as guidance for Member States always ensuring sufficient space for subsidiarity. In addition, ACER has currently no specific competences on distribution issues currently, and neither so according the EC proposal for the ACER regulation.</p> <p>This amendment is inextricably linked to Amendment 16 below.</p>	
<b>AMENDMENT 5</b>	
<b>Article 27,1 point (j) a (new) Tasks of the ENTSO for Electricity</b>	
TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
.	<p><i>(j) a. In addition the ENTSOE shall:</i></p> <p><i>a. cooperate with EU DSO entity on the</i></p>

	<p><i>monitoring of implementation of the network codes and guidelines which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks and which are adopted pursuant to this Regulation;</i></p> <p>b. <i>cooperate with EU DSO entity and adopt best practice on the coordinated operation and planning of transmission and distribution systems including issues such as exchange of data between operators and coordination of distributed energy resources;</i></p>
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**Justification**

According to Art. 51,2 there is - among the tasks of the EU entity for distribution system operators (DSO) - an obligation to cooperate with ENTSOE. However - among the tasks of ENTSOE as set up in Art 27,1 - there is not the same obligation to cooperate with the EU entity for DSO. The cooperation has to be bi-directional and therefore the same provision has to be added to Art. 27.

**AMENDMENT 6**

**Article 49 European Entity for Distribution System Operators**

<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
<p>Distribution system operators <i>which are not part of a vertically integrated undertaking or which are unbundled according to the provisions of Article 35 [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]</i>, shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of</p>	<p>Distribution system operators shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems.</p>



<p>distribution and transmission systems.</p> <p>Distribution system operators who wish to participate in the EU DSO entity shall become registered members of the entity.</p>	<p>Distribution system operators who wish to participate in the EU DSO entity shall become registered members of the entity <b><i>either directly and/or represented by the national and/or European associations of their choice.</i></b></p>
<p><b>Justification</b></p>	
<p>Eligibility and participation need to be designed in a non-discriminatory and lawful way. All DSOs should be eligible for membership according to the spirit of the Regulation Explanatory Introduction (38) that states <b><i>“the entity should ensure efficiency, transparency and representativeness amongst the EU Distribution System Operators”</i></b>.</p> <p>However not all distributor system operators – although fulfilling the requirements of their national legislation - will meet the unbundling requirements according to Art. 35 of the recast Directive 2009/72/EC as proposed by COM (2016) 864/2 which sets out the eligibility criteria for the EU DSO entity, thus excluding most of those distributors having less than 100.000 connected customers – normally small or medium-sized DSOs - representing 90% of the total number of DSOs in Europe (around 2500).</p> <p>Medium and small local DSOs are crucial actors in the new electricity system. Their networks – unbundled or not - face the same technical challenges as the networks of unbundled players and therefore have to be eligible members to a European entity which purpose is to deal with technical issues related to distribution. Unbundling should not be the criteria for eligibility.</p> <p>Representability of all DSOs regardless their size needs to be ensured and equal treatment of all DSOs has to be guaranteed. As small DSOs could encounter enormous difficulties for directly participating in an EU entity based in Brussels and due to their large number, they should be allowed to either register directly or be represented through the national or European association of their choice.</p>	
<p><b>AMENDMENT 7</b></p> <p><b>Article 50,1 Establishment of the EU DSO entity for electricity</b></p>	
<p><b>TEXT PROPOSED BY THE COMMISSION</b></p>	<p><b>GEODE AMENDMENT</b></p>
<p>1.By [OP: twelve months after entry into force], the registered members, with the administrative support of the Agency, shall submit to the Commission and to the</p>	<p>1.By [OP: twelve months after entry into force], the registered members, <b><i>either directly and/or represented by the national and/or European associations of their</i></b></p>



Agency the draft statutes, a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSOE and other stakeholders and the financing rules, of the EU DSO entity to be established.	<i>choice</i> , with the administrative support of the Agency, shall submit to the Commission and to the Agency the draft statutes, a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSOE and other stakeholders and the financing rules, of the EU DSO entity to be established.
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**Justification**

This amendment is inextricably linked to the previous amendments to Art. 49.

**AMENDMENT 8**

**Article 50,4 Establishment of the EU DSO entity for electricity**

<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
Within three months of the day of receipt of the Commission's positive opinion, the distribution system operators shall establish the EU DSO entity and adopt and publish its statutes and rules of procedure.	Within three months of the day of receipt of the Commission's positive opinion, the distribution system operators shall establish the EU DSO entity and adopt and publish its statutes and rules of procedure, <i>ensuring a wide and efficient representation of all DSOs that encompasses all Member States under the new EU DSO entity.</i>

**Justification**

This amendment is inextricably linked to the previous amendments to Art. 49.

**AMENDMENT 9**

**Article 51,1 Tasks of the EU DSO entity**

<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
The tasks of the EU DSO entity shall be the	The tasks of the EU DSO entity shall be <i>limited to technical and economic aspects</i>



following:	<i>of</i> the following areas :
<b>Justification</b>	
<p>The scope of the EU DSO entity should be restricted to provide technical advice on distribution issues to the European institutions by DSO technical experts in respect of the subsidiarity principle.</p> <p>The EU DSO entity should not be involved in any lobbying activities.</p>	
<b>AMENDMENT 10</b>	
<b>Article 51,1 (f) Tasks of the EU DSO entity</b>	
<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
(f) participation in the elaboration of network codes pursuant to <i>Article 56</i> .	(f) participation in the elaboration of network codes pursuant to <i>Article 55</i> .
<b>Justification</b>	
<p>The current reference made exclusively to Article 56 – to the amendment of Network Codes - might be an editorial mistake as the EU DSO entity is entitled to contribute to the establishment and elaboration of Network Codes pursuant to Article 55 – to the establishment of Network Codes.</p>	
<b>AMENDMENT 11</b>	
<b>Article 51,2 (c) Tasks of the EU DSO entity</b>	
<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
<i>(c) work on identifying best practices on the areas identified in paragraph 1 and for the introduction of energy efficiency improvements in the distribution network</i>	<i>deleted</i>





<b>Justification</b>	
The scope is too wide and non-defining.	
<b>AMENDMENT 12</b>	
<b>Article 52,1 Consultations in the network code development process</b>	
<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
While preparing possible network codes pursuant to <i>Article 56</i> , the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, <i>distribution system operators</i> , including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.	While preparing possible network codes pursuant to <i>Article 55</i> , the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.
<b>Justification</b>	
The first amendment is inextricably linked to previous amendments to Art. 51, 1 f).	
The Second amendment is inextricably linked to the previous amendment to Art. 49 - in which case all DSOs will be represented in the EU DSO entity conducting the consultation. Therefore there wouldn't be any need to mention them among other stakeholders to be consulted.	
<b>AMENDMENT 13</b>	
<b>Article 53,1 Cooperation between distribution system operators and transmission system operators</b>	



<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
<p>Distribution system operators <b>shall cooperate with</b> transmission system operators in planning and operating their networks. In particular, transmission and distribution system operators shall exchange all necessary information and data regarding, the performance of generation assets and demand side response, the daily operation of their networks and the long-term planning of network investments, with the view to ensure the cost-efficient development and operation and the secure and reliable operation of their networks.</p>	<p>Distribution system operators <b>and shall cooperate</b> in planning and operating their networks. In particular, transmission and distribution system operators shall exchange all necessary information and data regarding, the performance of generation assets and demand side response, the daily operation of their networks and the long-term planning of network investments, with the view to ensure the cost-efficient development and operation and the secure and reliable operation of their networks.</p>
<b>Justification</b>	
<p>Cooperation has to be bi-directional, with DSOs and TSOs working together.</p>	
<b>AMENDMENT 14</b>	
<b>Article 55,1 (k) Establishment of network codes</b>	
<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
<p>The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the establishment of network codes in the following areas:</p> <p>(k) rules regarding harmonised transmission <b>and distribution</b> tariff structures and connection charges including locational signals and inter-transmission system operator compensation rules; and</p>	<p>(k) rules regarding harmonised transmission tariff structures and connection charges including locational signals and inter-transmission system operator compensation rules; and</p>
<b>Justification</b>	



Distribution Tariffs should remain a matter for national regulation and more harmonisation across the EU is not required. High level principles are acceptable as guidance for Member States while always ensuring sufficient space for subsidiarity.

**AMENDMENT 15**

**Article 55,2 Establishment of network codes**

<b>TEXT PROPOSED BY THE COMMISSION</b>	<b>GEODE AMENDMENT</b>
<p>The Commission shall, after consulting the Agency, the ENTSO for Electricity and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and less relevant for the transmission system, the Commission <i>may</i> require the EU DSO entity for electricity instead of the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.</p>	<p>The Commission shall, after consulting the Agency, the ENTSO for Electricity, <i>the EU DSO entity</i> and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and less relevant for the transmission system, the Commission <i>shall</i> require the EU DSO entity for electricity instead of the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.</p>

**Justification**

The EU DSO body should also be expressly referenced within the list of Commission consultees for developing a priority list of the codes. Not expressly including them runs the risk of having ENTISOE drive the direction of the priorities without any DSO input.

If a new entity of European distribution system operators is being set up whose tasks include participation in the elaboration of network codes (see Art. 51,1 f), the Commission should be obliged to require the EU DSO entity - instead of ENTISOE - to convene a drafting committee and submit a proposal for a network code when the subject of the code is directly related to the operation of the distribution network.

**AMENDMENT 16**

**Article 55,12 Establishment of network codes**



TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
<p>13. Where the Commission proposes to adopt a network code on its own initiative, the Commission shall consult the Agency, the ENTSO for Electricity and all relevant stakeholders in regard to the draft network code during a period of no less than two months.</p>	<p>13. Where the Commission proposes to adopt a network code on its own initiative, the Commission shall consult the Agency, the ENTSO for Electricity, <i>the EU DSO entity</i> and all relevant stakeholders in regard to the draft network code during a period of no less than two months.</p>
<p><b>Justification</b></p>	
<p>The EU DSO body should be included in the list of bodies to be consulted by the Commission if it proposes to adopt a network code.</p>	
<p><b>AMENDMENT 17</b></p> <p><b>Article 57, 7 Guidelines</b></p>	
TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
<p>When adopting or amending Guidelines, the Commission shall consult the Agency, the ENTSO for Electricity and other stakeholders where relevant.</p>	<p>When adopting or amending Guidelines, the Commission shall consult the Agency, the ENTSO for Electricity, <i>the EU DSO entity</i> and other stakeholders where relevant</p>
<p><b>Justification</b></p>	
<p>The EU DSO body should be included in the list of bodies to be consulted by the Commission if it proposes to adopt a Guideline.</p>	