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## “GEODE issues key messages for DSOs’ Network Tariff Design”

Transforming the electricity distribution grids for the future requires innovation as well as capital investments, which should be reflected in the regulatory framework for distribution system operators (DSOs) – and in particular in the design of network tariffs’ structure.

GEODE has identified the following key principles: Cost reflectiveness, fairness to customers, market development and energy efficiency.



Although DSO network tariffs are developed at national level and their structure differs widely across European countries, decision-makers and regulators are now debating guiding principles at the European level. GEODE wishes to contribute to these discussions and now delivers its key messages on how tariffs should be developed to cope with the future challenges of the energy system:

- Innovation and investments in the grid are urgently needed to cope with the changes energy systems are going through - regulation should allow efficient DSOs to have a reasonable return on their investments.
- Tariffs should reflect the real cost of the network and ensure fair cost



allocation between customers whilst incentivising DSOs to integrate new technologies.

- A combination of more capacity based grid tariffs and energy based supply pricing provides customers with incentives to optimise their consumption and production while contributing to the efficiency of the whole energy system.
- Tariffs must promote new business models that encourage customers to provide services to support the efficient operation of the network.
- Access to metering data enables DSOs to develop well designed network tariffs and fair billing.

For the full list of GEODE messages on tariffs, please click [here](#).

## **GEODE**

GEODE is the voice of local energy distributors across Europe, representing the interests of 1200 private and public energy companies for both electricity and gas from 15 European countries, serving more than 100 million customers. These small and medium-sized companies are bringing intelligence to the grids and making thereby a major contribution to achieve Europe's climate and energy policy goals. GEODE promotes fair and competitive conditions for network operators giving them a strong voice to secure core values - namely providing a customer-focused service, with a high quality of supply and energy efficiency to homes, businesses and local communities. With 25 years' experience GEODE is recognised as a trusted partner by the European institutions.