

CEER

**Council of European
Energy Regulators**



Future Role of DSOs Regulators Perspective

Fostering energy markets,
empowering **consumers**.

Garrett Blaney
Brussels, 13 May 2014

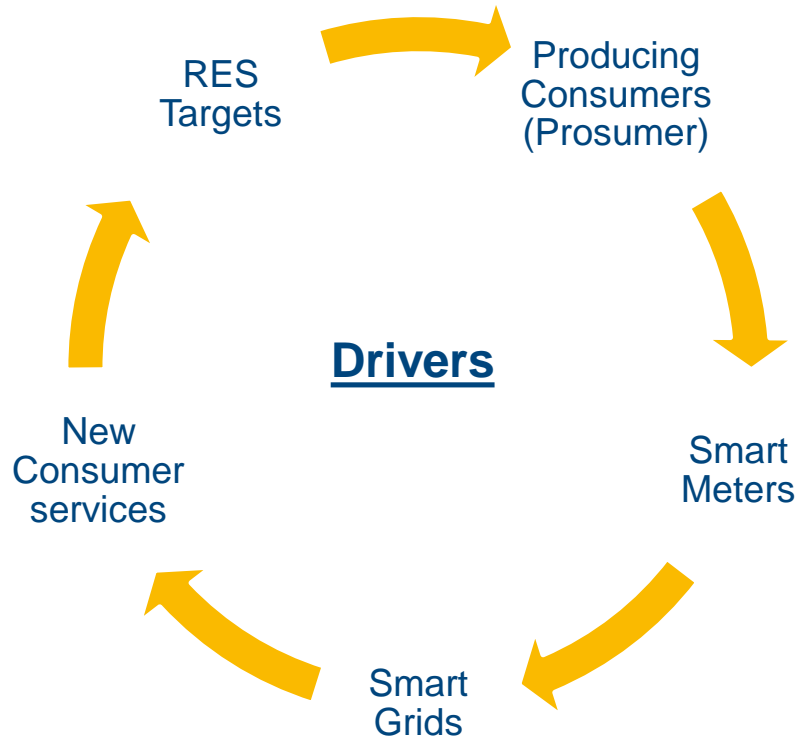
CEER DSO Working Group

New CEER DSO Working Group

- ▶ Regulation of DSOs highlighted as priority in CEER work programme 2014
- ▶ WG Established in November 2013
- ▶ Co-chaired by Valeria Termini and Garrett Blaney
- ▶ Synergy with CEER WG and TF
- ▶ Co-ordinated approach to electricity and gas DSO issues



Drivers of Change in DSO Regulation



Challenges

1. DSO services
2. Distributed Energy Resources
3. Distribution Tariffs
4. Data Management
5. TSO-DSO coordination
6. Unbundling
7. Flexibility
8. Evolving Consumers



DSO Services

- Proliferation of new services
- Is DSO acting as neutral market facilitator?
- Prevention of cross subsidies
- Separation of regulated DSO activities from commercial activities to prevent distortion. European view required?
- Can the DSO help drive infant technologies, may benefit society? e.g. electric vehicles, fibre to the home



DSO Tariff Setting

- Cost reflective distribution network tariffs
- Use of tariffs to signal capabilities of local network
- Correct allocation of network costs among grid users
- Treatment of micro-grids and prosumers
- Are EU- wide principals required?
- How would TOU or locational distribution tariffs impact customers?
- Customer resistance to fixed charges?



Data Management

- Metering data
 - ▶ access crucial for new service providers
 - ▶ useful for DSO to improve efficiency
- Balance of privacy vs innovation
- Is there any concern with DSO collecting the data?
- Risks of malware could affect privacy and security of supply



DSO-TSO

- Increased co-ordination required
- Improved data exchange
- More consumer centric
- Clear definitions of roles & responsibilities
- New ancillary services: inertia, increased voltage control and frequency control
- National or European Approach?

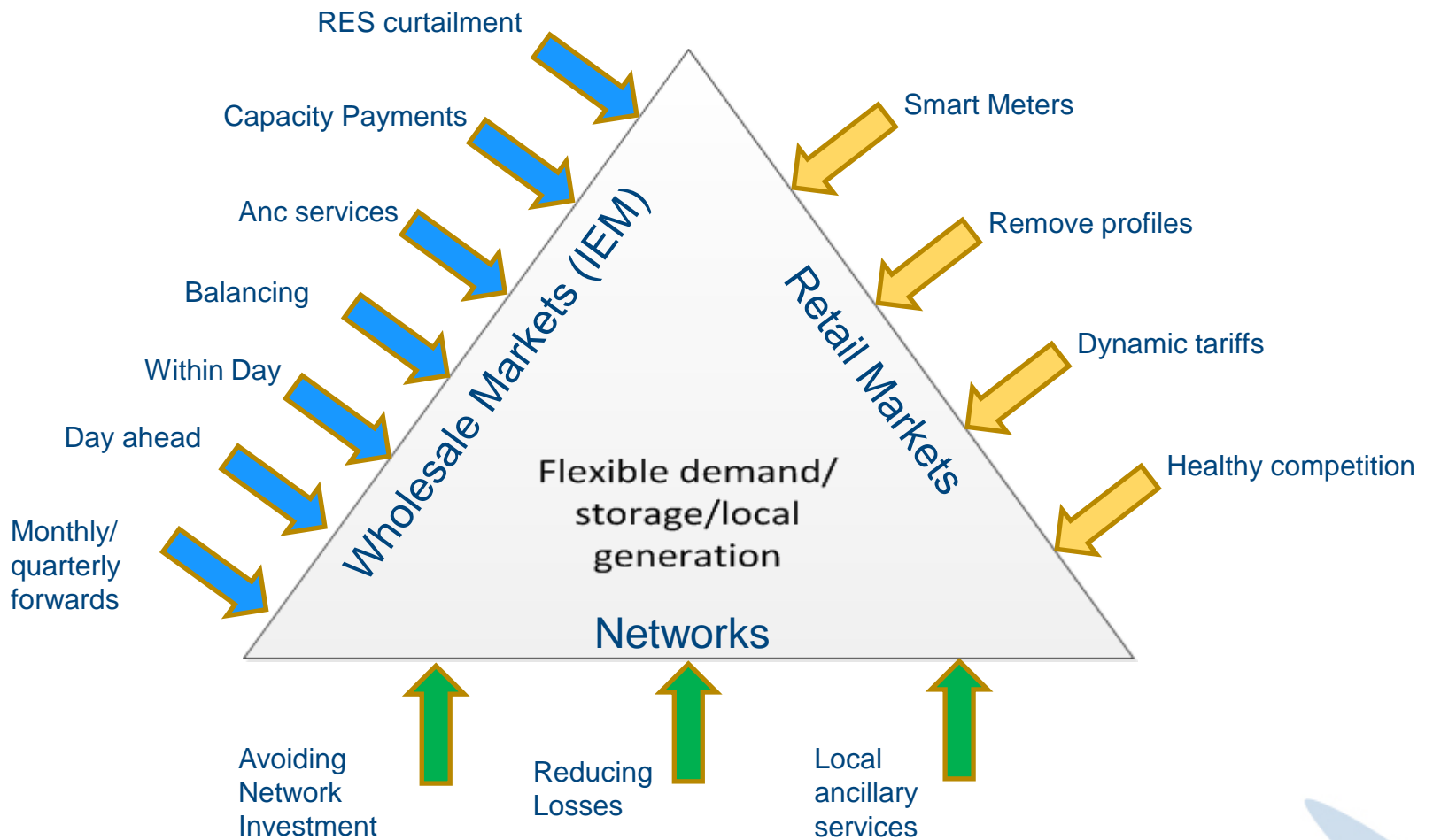


Unbundling

- Are current unbundling arrangements sufficient vis-à-vis new DSO tasks and services?
- De Minimis Rule
- Full implementation of 3rd package or further steps required?
- Are there arguments not to unbundle?

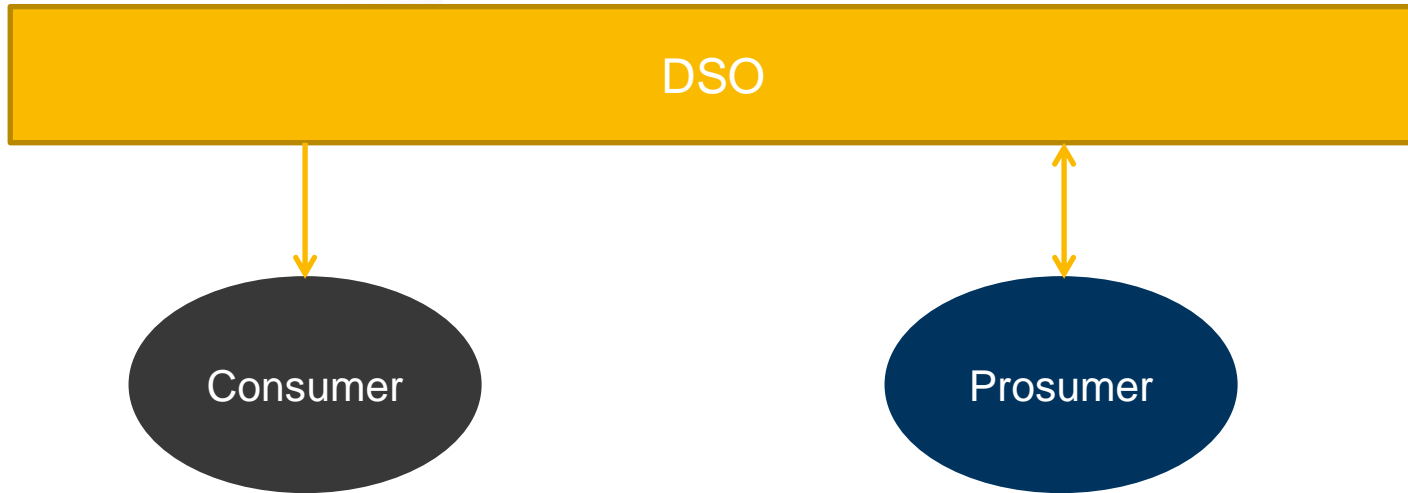


Flexibility





Consumers



- Consumer interest is essential to any discussion on future energy systems
- Consumer becomes Prosumer – the DSO relationship changes
- Different types of consumers – frequent switchers, demand response consumers, traditional consumers and producing consumers. Each will have a different type of relationship with the DSO.



DSO WG Objectives

- Analysis of current and new DSO services
- Framework for distributed energy resources
- TSO – DSO co-ordination and data exchange
- DSO unbundling
- DSO tariffs
- Output based regulation
- Increased levels of data



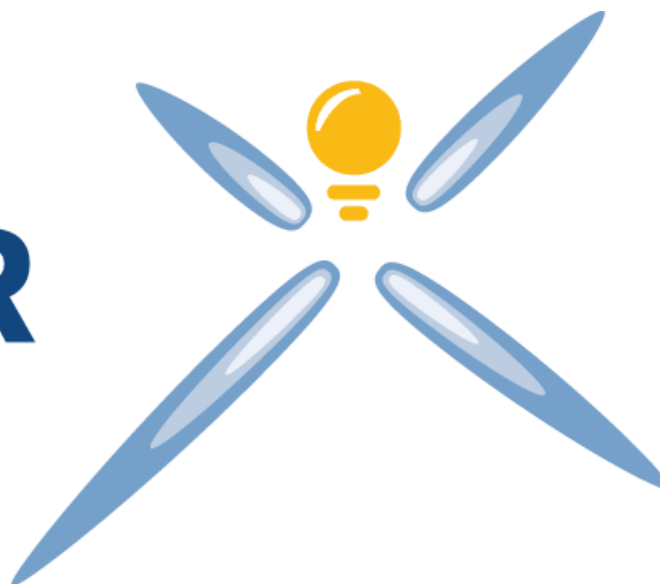
DSO WG Deliverable



Thank you for your attention!

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