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

AMENDMENT 1 **Article 2, 20 Definitions**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
'near-real time' means, in the context of smart metering, the time, ***usually down to seconds,*** that elapses between data recording and their automated processing and transmission for use or information purposes	'near-real time' means, in the context of smart metering, the time that elapses between data recording and their automated processing and transmission for use or information purposes Or ***deleted***
JUSTIFICATION	
This amendment is linked to justification under amendment 8.	

AMENDMENT 2 **Article 2, 27 Definitions**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
'recharging point' means ***an interface that is capable of charging one electric vehicle at a time or*** exchanging a battery of one electric vehicle at a time.	'recharging point' means ***a slow recharging point or a fast recharging point or an installation for the physical*** exchanging of battery of one electric vehicle at a time.
JUSTIFICATION	
The definition for a "recharging point" has to be aligned with the definition for a "recharging point" already given in the Directive 014/94/EU on the Deployment of Alternative Fuels Infrastructure.	

AMENDMENT 3 **Article 2, 48 Definitions**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
Energy storage means, in the electricity system, deferring an amount of the electricity that was generated to the moment of use, either as final energy or converted into another energy carrier.	***deleted***
JUSTIFICATION	
A definition of storage is not needed. In network management terms there are either sources or sinks of energy, so a storage device at any point in time is a generator or it is a load – it cannot be both. The importance of this definition is entirely in how it is used. Setting a definition now risks unintended consequences for the future.	
AMENDMENT 4 **Article 12, 3 Right to switch supplier and rules on switching-related fees**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
By way of derogation from paragraph 2, Member States may choose to permit suppliers to charge contract termination fees to customers willingly terminating fixed term supply contracts before their maturity. Such fees ***may only be charged if customers receive a demonstrable advantage from these contracts. In addition, such fees shall not exceed the direct economic loss to the supplier of the customer terminating the contract,*** including the cost of any bundled investments or services already provided to the customer as part of the contract.	By way of derogation from paragraph 2, Member States may choose to permit suppliers to charge contract termination fees to customers willingly terminating fixed term supply contracts before their maturity. Such fees ***shall be proportional and reflect the period of the contract that is not respected***, including the cost of any bundled investments or services already provided to the customer as part of the contract.

JUSTIFICATION
Fixed-term and fixed-price supply contracts are appreciated by certain customers - E.g. persons living on low disposal income may wish stable price expectations. When it becomes very easy for customers to quit fixed-term contracts - e.g. after electricity price decrease - suppliers' offers for fixed-term contracts will probably become less attractive to consumers. The benefits for the consumer and the extent of the supplier's loss are difficult to quantify and will need to be decided on a case by case basis.

AMENDMENT 5

Article 16, 1 Local Energy Communities

TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
Member States ***shall*** ensure that local energy communities:	Member States ***may*** ensure that local energy communities:

JUSTIFICATION
Member States should be allowed to decide whether to introduce a legal framework for local energy communities. In some Member States, there is no need to introduce new legislation in this respect as local energy communities are well established and occur in high numbers. The subsidiarity principle is thereby to be respected.

AMENDMENT 6

Article 16, 2 point (i) a (new)

2. Member States shall provide an enabling regulatory framework that ensures that: (...)	2. Member States shall provide an enabling regulatory framework that ensures that: (...) ***(i) system users adequately contribute to the cost of the distribution system they are connected to.***

JUSTIFICATION
Any kind of positive discrimination of local energy communities, or their members, at the expense of other consumers and actors in the energy system must be avoided. Contributing to the costs of the distribution system is a requirement to be met by all system users hence making sure the solidarity is respected.

AMENDMENT 7

Article 17, 4 Demand Response

TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
In order to ensure that balancing costs and benefits induced by aggregators are fairly assigned to market participants***, Member States may exceptionally allow compensation payments between aggregators and balance responsible parties.*** Such compensation payments must be limited to situations where ***one market participant*** induces imbalances to another market participant resulting in a financial cost. ***Such exceptional compensation payments shall be subject to approval by the national regulatory authorities and monitored by the Agency.***	In order to ensure that balancing costs and benefits induced by aggregators are fairly assigned to market participants, Member States may ***ensure fair compensation models between aggregators and balancing responsible parties.*** Such compensation payments must be limited to situations where ***an aggregator*** induces imbalances to another market participant resulting in a financial cost.

JUSTIFICATION
The same rules have to apply to all market players. The exception for aggregators to compensate for the imbalances caused contradicts Art. 4.1 of the Proposal for an Electricity Regulation that states *"all market participants must take financial responsibility for the imbalances they cause in the system".* All market parties have certain rights and obligations and this exception means other market participants will bear the costs of activating demand response. Therefore the rule should be that it's mandatory to compensate for the imbalances caused, without exception.

AMENDMENT 8 **Article 18, 7 Billing and billing information**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
Member States may lay down that, at the request of the final customers, the information contained in these bills shall not be considered to constitute a request for payment. In such cases, Member States shall ensure that suppliers offer flexible arrangements for payments	***deleted***
JUSTIFICATION	
This paragraph is confusing and contradicts Art. 18 paragraph 3: "*billing shall be based on actual consumption",* as well as the overall goal for energy efficiency.	
AMENDMENT 9 **Article 20 a) Smart metering functionalities**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
Where smart metering is positively assessed as a result of cost-benefit assessment referred to in Article 19(2), or systematically rolled out, Member States shall implement smart metering systems in accordance with European standards, the provisions in Annex III, and in line with the following principles:	
(a) the metering systems accurately measure actual electricity consumption and provide to final customers information on actual time of use. ***That*** information shall be made easily available ***and visualised*** to final customers at no additional cost and at near-	a) The metering systems accurately measure actual electricity consumption and provide to final customers information on actual time of use. ***Near real-time information provided by the meter*** shall be made easily available to final customers at no additional

real time in order to support automated energy efficiency programmes, demand response and other services;	cost in order to support automated energy efficiency programmes, demand response and other services.

JUSTIFICATION

There are two types of data communicated from the smart meter to the customer and markets and designated service providers:

- real time consumption data
- validated data for billing and balance settlement.

Consumption data (kWh) is read straight from the meter and does not run through the DSO or any other responsible meter reading party and can be provided in near real time - but does not include any information on prices or historical consumption.

Data validated by the DSO or any other party designated to perform this activity is provided to customers and other market participants such as suppliers or aggregators for billing, balance settlement, energy efficiency programs etc. This data can be delivered for example 24hrs after the electricity has been distributed. Making this data available in near real time would require an extremely fast data exchange and will increase the system costs significantly - because investments would need to be made for replacing or upgrading system components required for such communication.

In short, communicating validated consumption data in near real time would be technically feasible but come at very high costs – which among others would also affect CBAs in a way that is likely to prevent Member States of opting for any large scale roll-out of smart metering systems.

Visualised information: if these requirements refers to in-home-displays it is important to note that such services and devices could come at a high cost to install the appropriate devices and exchange or upgrade the system components.

AMENDMENT 10

Article 24, 2 Data Format

PROPOSAL ELECTRICITY DIRECTIVE	**GEODE AMENDMENT**
The Commission, by means of implementing acts adopted in accordance with the advisory procedure referred to in Article 68, ***shall*** determine a common	The Commission, by means of implementing acts adopted in accordance with the advisory procedure referred to in Article 68, ***may*** determine ***with the***

European data format and non-discriminatory and transparent procedures for accessing the data, listed under Article 23 (1), that will ***replace*** national data format and procedure adopted by Member States in accordance with paragraph 1. Member States shall ensure that market participants apply a common European data format.	***involvement of the industry*** **and subject to a through cost benefit analysis demonstrating the added value provided** a common European data format and non-discriminatory and transparent procedures for accessing the data**,** listed under paragraph 1 of Article 23, that will ***interface with*** national data format and procedure adopted by Member States in accordance with paragraph 1. Member States shall ensure that market participants apply a common European data format. Or: ***Deleted***

JUSTIFICATION

GEODE supports national data formats. The process or the format used for sharing information at national level should apply the same standard.

A European common data format is not yet proven to be feasible nor urgently required. Scandinavian countries have been trying to agree a common format for the past 10 years but failed since they were unable to harmonize all the necessary details to determine common business processes, due to national differences between retail markets. This harmonization work needs to be done first in order to define what data need to be exchanged between parties from one country to another. Only after that can a common data format could be defined.

If a European data format becomes advantageous - and it is e feasible to develop this in a cost-efficient manner – it should be developed by the relevant industry actors and not imposed by means of secondary legislation. It should be up to the industry to assess whether such a format is required at European level.

AMENDMENT 11

Article 32, 1 Tasks of distribution system operators in the use of flexibility

TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
Member States shall provide the necessary regulatory framework to allow and	Member States shall provide the necessary regulatory framework to allow and

incentivise distribution system operators to ***procure services*** in order to improve efficiencies in the operation and development of the distribution system, including local congestion management.	incentivise distribution system operators to ***access and use all sources of flexibility*** in order to improve efficiencies in the operation and development of the distribution system, including local congestion management ***and peak saving.***
In particular, regulatory frameworks shall enable distribution system operators to procure services from resources such as distributed generation, demand response or storage and consider energy efficiency measures, which may supplant the need to upgrade or replace electricity capacity and which support the efficient and secure operation of the distribution system.	In particular, regulatory frameworks shall enable distribution system operators to procure services from resources such as distributed generation, demand response or storage and consider energy efficiency measures, which may supplant the need to upgrade or replace electricity capacity and which support the efficient and secure operation of the distribution system.
Distribution system operators shall procure these services according to transparent, non-discriminatory and market based procedures.	Distribution system operators shall procure these services in a transparent and non-discriminatory ***manner, including all different possibilities to use flexibility contracts, connection agreements, network tariffs and market based procedures.***
Distribution system operators shall define standardised market products for the services procured ensuring effective participation of all market participants including renewable energy sources, demand response, and aggregators.	Distribution system operators shall define standardised market products ***at national level*** for the services procured ensuring effective participation of all market participants including renewable energy sources, demand response, and aggregators.
Distribution system operators shall exchange all necessary information and coordinate ***with transmission system operators*** in order to ensure the optimal utilisation of resources, ensure the secure and efficient operation of the system and facilitate market development.	Distribution system operators ***and transmission system operators*** shall exchange all necessary information and coordinate ***among themselves*** in order to ensure the optimal utilisation of resources, ensure the secure and efficient operation of the system and facilitate market development.

JUSTIFICATION	
DSOs should be able to access all forms of flexibility, contracting local flexibility from market players as well as directly. DSOs should be given the freedom to choose the most cost-efficient alternative according to their needs.	
AMENDMENT 12 **Article 32, 2 Tasks of distribution system operators in the use of flexibility**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
The development of a distribution system shall be based on a transparent network development plan that distribution system operators shall submit ***every two years to the regulatory authority***. The network development plan shall contain the planned investments for the next five to ten years, with particular emphasis on the main distribution infrastructure which is required in order to connect new generation capacity and new loads including re-charging points for electric vehicles. The network development plan shall also demonstrate the use of demand response, energy efficiency, energy storage facilities or other resources that distribution system operator is using as an alternative to system expansion.	The development of a distribution system shall be based on a transparent network development plan that distribution system operators shall submit ***to the regulatory authority at the end of each regulatory period***. The network development plan shall contain the planned investments for the next five to ten years, with particular emphasis on the main distribution infrastructure which is required in order to connect new generation capacity and new loads including re-charging points for electric vehicles. The network development plan shall also demonstrate the use of demand response, energy efficiency, energy storage facilities or other resources that distribution system operator is using as an alternative to system expansion.
The regulatory authority shall consult ***all*** current or potential system users on the network development plan. The regulatory authority shall publish the result of the consultation process on the proposed investments.	The regulatory authority shall consult ***relevant*** current or potential system users on the network development plan, ***only if they consider it necessary***. The regulatory authority shall publish the result of the consultation process on the proposed investments.
Member States may decide not to apply this obligation to integrated undertakings serving less than 100 000 connected consumers, or serving isolated systems.	Member States may decide not to apply this obligation to integrated undertakings serving less than 100 000 connected consumers, or serving isolated systems.

JUSTIFICATION	
The timescale of the network development plan needs to be aligned with the relevant NRA, with national reporting requirements and price control periods. A consultation on the distribution network development plan with all current and potential system users would cause a lot of unnecessary and unjustified costs and administrative burden both for NRAs and DSOs.	
AMENDMENT 13 **Article 33, 3 Integration of electro-mobility into the electricity network**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
Articles 35 and 56 shall apply to distribution system operators engaged in ownership, development, operation or management of recharging points.	***Deleted***
JUSTIFICATION	
If the conditions of Art. 32,2 are fulfilled, all DSOs regardless their size or legal framework (fulfilment with unbundling rules or being exempted because of their size) should be eligible to be granted exemption by the NRA. The lack of interested market parties in combination with the need to build recharging points should be the only criteria to be considered.	
AMENDMENT 14 **Article 33, 4 Integration of electro-mobility into the electricity network**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
Member States shall perform at regular intervals or at least every five years a public consultation in order to re-assess the potential interest of market parties to own, develop, operate or manage	Member States shall perform at regular intervals or at least every five years a public consultation in order to re-assess the potential interest of market parties to own, develop, operate or manage

recharging points for electric vehicles. In case the public consultation indicates that third parties are able to own, develop, operate or manage such points, Member States shall ensure that distribution system operators' activities in this regard are phased-out.	recharging points for electric vehicles. In case the public consultation indicates that third parties are able to own, develop, operate or manage such points, Member States shall ensure that distribution system operators' activities in this regard are phased-out ***provided the recovery of their costs is ensured.***
JUSTIFICATION	
The phase-out procedure should provide certainty and ensure that the DSOs can recover their costs.	
AMENDMENT 15 **Article 36, 1 & 2 Ownership of storage facilities**	
TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
1. Distribution system operators shall ***not*** be allowed to own, develop, manage or operate energy storage facilities.	***1.*** Distribution system operators shall be allowed to own, develop, manage or operate energy storage facilities, ***if such facilities are necessary for the efficient, reliable and secure operation of the distribution system and the regulatory authority has granted its approval, ensuring there is no market distortion .***
2. By way of derogation from paragraph 1, Member States may allow distribution system operators to own, develop, manage or operate storage facilities only if the following conditions are fulfilled: ***a) other parties, following an open and transparent tendering procedure, have not expressed their interest to own, develop, manage or operate storage facilities;*** ***b) such facilities are necessary for the distribution system operators to fulfil its obligations under this regulation***	***2. Deleted***

for the efficient, reliable and secure operation of the distribution system; and ***c) the regulatory authority has assessed the necessity of such derogation taking into account the conditions under points (a) and (b) of this paragraph and has granted its approval.***	

JUSTIFICATION

GEODE supports storage procured from the market place as commercial service. However, the regulatory framework to be established for storage should allow both, the use of a storage facility for commercial use (the market) and for the networks.

Storage is key for DSOs in order to manage flexibility and offers a number of benefits for addressing network challenges and operating the grid in a more efficient, safe, secure and reliable way. Storage can also reduce investments into conventional grid components and hence reduce the overall system costs. In addition, the location of storage is crucial and DSOs often need storage in specific locations in the network. Therefore it can be very difficult for DSOs to obtain the storage services they need from the market.

Therefore the use of storage by DSOs for an efficient, reliable and secure operation of the distribution grid approved by the regulatory authority without creating market distortions is an option which should not be precluded at this stage – or with unnecessarily onerous pre-conditions such as potentially time consuming and complex tendering procedures imposed.

AMENDMENT 16

Article 36,3 Ownership of storage facilities

TEXT PROPOSED BY THE COMMISSION	**GEODE AMENDMENT**
Articles 35 and Article 56 shall apply to distribution system operators engaged in ownership, development, operation or management of energy storage facilities.	***Deleted***

JUSTIFICATION
When a DSO is granted approval by the regulatory authority to own, develop, manage or operate energy storage facilities because of the necessity for a secure and reliable operation of the grid, it is not reasonable to restrict this possibility only to unbundled DSOs - as the security of the grid could be at risk in any type of DSO. The safe and secure operation of the network should be the overriding criteria.

AMENDMENT 17

Article 36,4 Ownership of storage facilities

TEXT PROPOSED BY THE COMMISSION	GEODE AMENDMENT
Regulatory authorities shall perform at regular intervals ***or at least every five years*** a public consultation in order to re-assess the potential interest of market parties to invest, develop, operate or manage energy storage facilities. In case the public consultation indicates that third parties are able to own, develop, operate or manage such facilities, Member States shall ensure that distribution system operators' activities in this regard are phased-out.	Regulatory authorities shall perform at regular intervals a public consultation in order to re-assess the potential interest of market parties to invest, develop, operate or manage energy storage facilities. In case the public consultation indicates that third parties are able to own, develop, operate or manage such facilities, Member States shall ensure that distribution system operators' activities in this regard are phased-out ***provided the recovery of their costs is ensured.***

JUSTIFICATION
The proposed time limited maximum 5 year derogation is too restrictive and runs counter to usual considerations and requirements for this type of investment. It should therefore be up to the NRA to determine the timescale for the derogation appropriate for that specific market. The phase-out procedure should provide certainty and ensure that the DSOs can recover their costs.