



Setting the right incentives for DSO investments

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CEER's work on incentives and investments

- CEER reports annually on investment conditions for DSOs
 - For a deeper analysis of investment conditions, it would be useful to take a closer look at other parameters such as costs per unit, share of CAPEX, total expenditures (TOTEX)
- CEER published guidelines of good practice on incentives schemes for DSOs, including innovation
 - Regulators have listed common goals in DSO regulation
 - Ensuring a level-playing field
 - Ensuring financial viability
 - Facilitating innovation
- CEER considers market-based procurement of flexibility as one very important option which could allow for a substantial benefit in the distribution grid, contributing to its further development to support as renewable, reliant and efficient an energy supply as possible
 - Although network users' potential flexibility cannot completely replace investments in traditional infrastructure, procurement of flexibility for congestion management could lead to a better utilisation of network capacity and thereby defer or be an alternative to traditional reinforcement, where it is a cost-efficient alternative
 - The use of flexibility to maximise the efficiency of the grid could provide socio-economic benefits by utilising existing resources that could decrease or defer the need for new investments in grid infrastructure
 - An important role of the NRA in the process of DSO network development plans is the possibility to ensure that the right balance is kept between the development of flexibility and investments in the infrastructure of the network



Regulatory Challenges

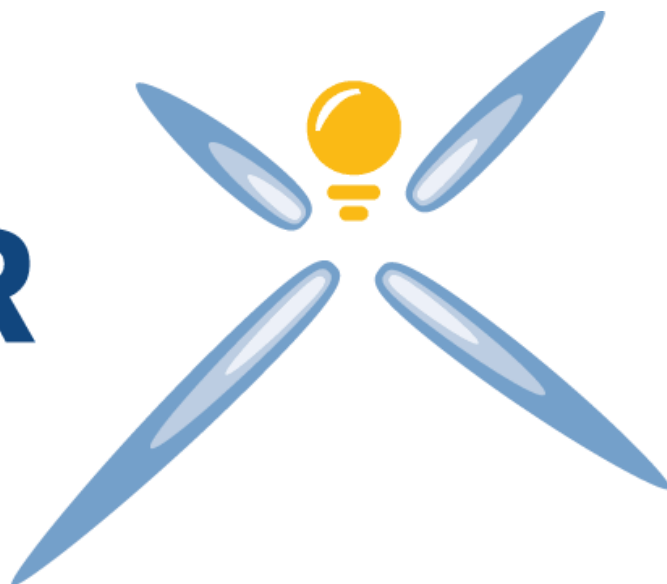
- Regulatory actions needed:
 - Incentives for innovation
 - Address capex bias
 - Data regulation securing transparency
 - Incentives for procuring flexibility
 - DSO - Neutral market facilitator
 - Network tariffs, dynamic or not
 - DSO-TSO roles and co-operation
 - Whole system approach



Thank you for your attention!

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