

The Network for Networks



**GEODE Board Meeting
8 February 2024**



The Network for Networks



Point II. Introduction



Agenda



9:00 – 16:30

I.	09:00	Short guided tour of the Hospital Real and welcome speech by Rector of the University of Granada
II.	09:30	Introduction <ul style="list-style-type: none">• Welcome – <i>Hans Kreisel, GEODE Chairman</i>• Approval of the agenda• Approval of the Board Meeting minutes from 12 December 2023
III.	09:40	Presentation of GRUPO CUERVA by Ignacio Cuerva
IV.	10:00	Administration <ul style="list-style-type: none">• Questions on the GEODE Report of Activities since last Board Meeting• Report on Financial Situation as of 31.12.23
V.	10:15	GEODE Budget 2024 Approval of GEODE Budget 2024 – DECISION
VI.	10:30	Update on EU energy policy developments <ul style="list-style-type: none">• Presentation by Secretariat – focus on Electricity Market Reform presentation of the agreed text.• Discussion
VII.	11:00	GEODE Working Group Updates <ul style="list-style-type: none">• Briefing by WG's chairs – special focus on work plan 2024 and selected topics
VIII.	11:45	Coffee Break

IX.	12:15	GEODE Strategy Discussion (I) <ul style="list-style-type: none">• Expansion of GEODE's scope to district heating and cooling<ul style="list-style-type: none">○ Presentation by Christian Held○ Discussion
X.	13:00	Lunch
XI.	14:30	GEODE Strategy Discussion (II) GEODE Priorities 2024 <ul style="list-style-type: none">• Following a general introduction by the secretariat, the Board will be split into break-out sessions exchanging on GEODE's priorities 2024.
XII.	15:30	Wrap-up of breakout sessions <ul style="list-style-type: none">• Defining GEODE's priorities 2024
XIII.	16:00	GEODE Spring Seminar, Brussels 28 May 2024 <ul style="list-style-type: none">• Draft programme
XIV.	16:20	Miscellaneous
XV.	16:25	Next Meeting - 22 April 2024 (online)

Introduction - Item



- Approval of the Board Meeting minutes from 12 December 2023

The Network for Networks



Point III. Presentation by Grupo Cuerva



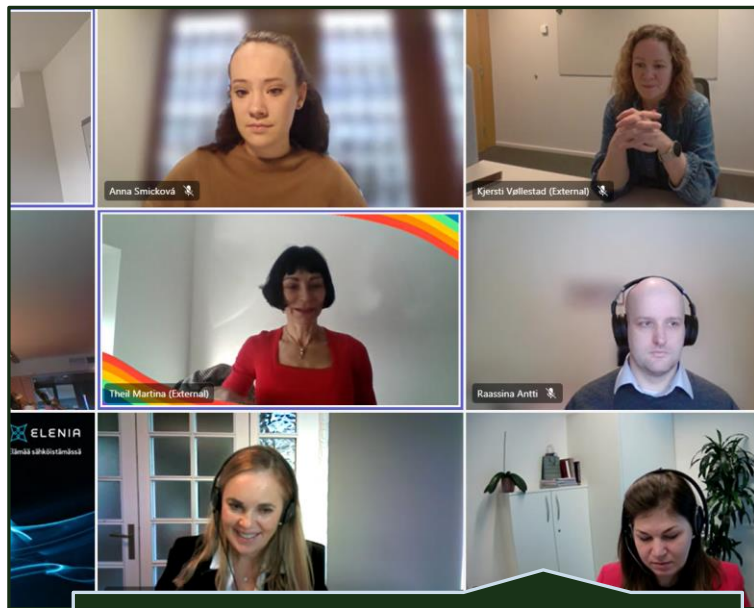
The Network for Networks



Point IV. Administration



Questions on GEODE Report of Activities



Meeting WG Customer Dialogue, Online



GEODE Brussels Meet Up, Brussels



Meeting WG Innovation & Development, Brussels

Administration - Items



- Report on Financial Situation as of 31.12.2023

The Network for Networks



Point V. GEODE Budget 2024



Budget 2024 – Incomes



	Incomes / Members contributions		
		Annual Membership Fees 2023	Budget Membership Fees 2024 (+4%)
100			
101	Contrib. Spain	38.661	40.208
102	Contrib. France	6.246	6.496
103	Contrib. Germany	242.147	249.883
104	Contrib. Austria	90.580	94.204
105	Contrib. Sweden	86.178	78.322
106	Contrib. Denmark	16.926	17.603
108	Contrib. Italy	10.369	10.783
112	Contrib. Hungary	16.989	17.669
113	Contrib. UK	28.483	29.622
115	Contrib. Norway	41.074	42.717
116	Contrib. Bulgaria	1.874	1.949
118	Contrib. Finland	50.635	65.660
119	Contrib. Andorra	6.246	6.496
121	Contrib. Greece	7.098	0
122	Contrib. Poland	3.800	3.952
		647.309	665.564
	Reserves	10.397,74	
	Total Incomes	657.705	

Members leaving 2023:- 19.840,55 '-€

1. Stadtwerke Werdau (DE) fee 1.874'-€
2. Jämtkraft (SE) fee 10.869'-€
3. DEDA (GR) fee 7.098'-€

New Member 2024: + 13.000'-€

1. Helen Electricity (FI) fee 13.000'-€

Budget 2024 – Expenses (I)

Expenses	Annual 2023	Budget 2024
Organisational Structure		
Secretary General	154.000	160.000
Facilities Barcelona	6.000	6240
Facilities Brussels	77.284	80.000
GEODE staff -	181.514	210.000
GEODE Staff - Internship	3.142	6.000
Internal Accounting & HR services	14.186	15.000
Accounting, Auditor, Acc-Belgium	11.603	18.000
Financial Costs	2.008	2.000
Subtotal Organisational Structure	449.736,00	497.240

Budget 2024 – Expenses (II)



300 To influence	Annual 2023	Budget 2024
301 EU lobby	55.262	56.000
302 Membership EEF	3.500	4.800
Subtotal To influence	58.762	60.800
400 To improve credibility to win new members	Annual 2023	Budget 2024
401 Recruitment new members	00	2900
404 IT	15.039	9.500
405 Website renewal & maintenance		
406 Mailing/Translations /Office material	209	496
407 Branding & Design	10.255	7.500
408 Language services	22.239	23.128
410 Coordination GEODE German members	90.000,00	90.000
Subtotal To improve credibility	137.742	132.838,00
500 To be more efficient	Annual 2023	Budget 2024
501 Board Meetings	4.811	6.000
Subtotal To be more efficient	4.811	6.000
600 Seminars	Annual 2023	Budget 2024
Subtotal Seminars	1.831	4.500
700 Exceptional Cost/Profits		
701 Internal Reserve	-7.003	
701 Extraordinary expenses	11.825	8.500
TOTAL EXPENSES	657.705	710.564

Proposal for decision on GEODE Budget 2024



Incomes 2024 (+4% increase membership fees)= 665.564' -€

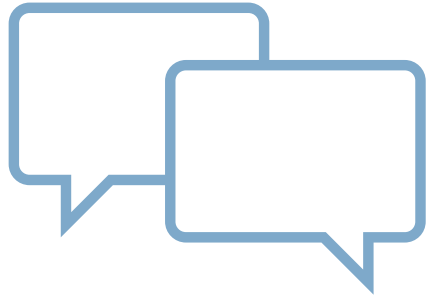
Expenses 2024 = 710.564' -€

BUDGET GAP 2024 = - 45.000' -€

PROPOSAL for a balance Budget 2024:

**Membership fees 2024 (666.084' -€) + Reserves (45.000' -€) =
Expenses 2024 (710.564' -€)**

Discussion



Possibility of expanding GEODE membership to non-European DSOs / DSOs associations – (**Observer status** with a minimum fee) - it might provide additional incomes to the budget



The Network for Networks



Point VI. Update on EU energy policy developments



EU Policy – What’s happening



Charles Michel pulls out of EU election race

European Council president makes dramatic U-turn after his candidacy sparked major backlash.

▶ LISTEN

↗ SHARE



Ursula von der Leyen under pressure to confirm reelection bid

Announcement timing is source of contention for European Commission chief’s office.

↗ SHARE



EU heavyweights urge ‘ambitious’ 2040 climate targets — breaking silence

The appeal comes despite a rising climate policy backlash and has backing from countries like Germany, France and the Netherlands.


↗ SHARE

POLITICO Free article usually reserved for subscribers



European Green Deal Agenda taking shape



Legislative process finalized / Entered into force	Agreement found between Parliament and Council	Parliament & Council in ongoing negotiations or about to start	Parliament and/or Council to still adopt position
<ul style="list-style-type: none"> • Revision F-Gases • Revision Energy Efficiency Directive • Revision of Renewable Energy Directive • AFIR • LULUCF • Effort Sharing Regulation • CO2 emission standards for cars & vans • EU ETS Market Stability Reserve • CORSIA • CBAM • EU ETS for aviation • Social Climate Fund • Revision EU ETS • Fuel EU Maritime 	<ul style="list-style-type: none"> • ReFuel EU Aviation Regulation • Regulation Reducing methane emissions in the energy sector • Gas and Hydrogen Package • Revision of the Energy Performance of Buildings Directive • Electricity Market Design reform • Nature Restoration Law • Net Zero Industry Act <div style="text-align: center; margin-top: 20px;">  <p>Emergency legislation during energy crisis proposed prolongation by EC for 12 months</p> </div>		<ul style="list-style-type: none"> • Revision of the energy taxation directive (ETD)

The Network for Networks



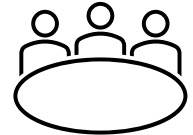
Electricity Market Design



Electricity Market Reform –Timeline

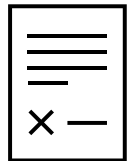


On **13-14 December 2023** the Council and the Parliament reached a **provisional agreement** to reform the EU's electricity market design (EMD).



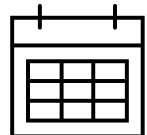
Presented at COREPER on **22 December**, where it was formally **endorsed through a letter by the Spanish Chairman**.

ITRE Committee approved the text on the **15th of January**



Next Steps: Provisional agreement to be **endorsed and formally adopted** by EP

Official Journal Publication expected for April-June 2024.



GEODE Webinar on EMD – 21st February 9.30 am

Consolidated Text

General Rules of the Electricity Market



Peak shaving (Regulation – Art. 7 a)

- **Possibility by system operators (TSOs and DSOs) to procure peak shaving products subject to assessment by regulatory authorities**
- **Limited only during a regional or union energy crisis.**
- Requirements for the proposal of peak shaving product



Dedicated measurement device (Article 7b – Regulation)

- Device intended for **measuring** (not metering) the volume of **demand response, flexibility and storage services** delivered.
- Where no smart meter is available, **DSO to accept data from the dedicated measurement device** for flexibility purposes and demand response **after Consumer's approval**
- Member States to establish **requirements for device data validation**

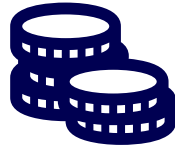
Consolidated Text General Rules of the Electricity Market



Free choice of supplier (Article 4 Directive)

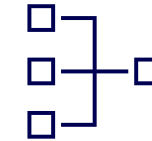
- **Customers** free to have **more than one contract at the same time**;
- Entitled to have **more than one metering and billing point covered by the single connection point**
- Where technically feasible usage of **smart metering system** to allow the multiple supply contracts requirements.

Consolidated Text Network Tariffs & Flexibility



Tariff methodologies (Article 18 – Regulation)

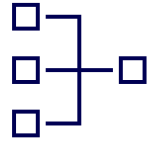
- Mandatory reference to consider both **CAPEX** and **OPEX**
- Tariff methodologies to incentivise **anticipatory investments to take place**
- Tariff methodologies to **promote efficient and timely investments and enable the use of flexible connections**
- **NRAs to recognize anticipatory investments as eligible for their inclusion in grid tariffs**



Assessment of flexibility needs (Regulation – Art. 19c)

- NRAs to assess and draw up a report on the estimated needs for flexibility at national level for a period of at least **5 years**, 1 year **after approval by ACER of their methodology**
- **DSO to provide data and analysis needed for reporting purposes**, as well coordination with Gas, Hydrogen Sector
- **ENSTO - E & EU DSO Entity to collaborate on a proposal for data type format, and methodology for flexibility needs analysis.**

Consolidated Text Network Tariffs & Flexibility



FLEXIBLE CONNECTION AGREEMENTS (Directive – Art. 6a)

- NRAs to develop a framework for TSOs and DSOs to offer the possibility of establishing flexible connection agreements in those areas with limited or no network capacity for new connections
- Temporary solution, so not delay network reinforcements.
- Exception for areas where the NRA deems network development not to be the most efficient solution, flexible connection agreements shall be enabled as a permanent solution

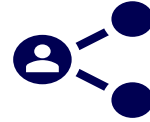


Indicative objective for Non fossil flexibility (Regulation – Art. 19d)

- Member States to define provisional indicative separate national objectives for demand response and energy storage for the first report

Consolidated Text

Consumer Empowerment and Protection



Energy sharing (Article 15a - Directive)

- Right to energy sharing limited to the same bidding zone or more geographical limited area.
- Right for Customer to **deduction of injected electricity from total meter consumption, not affecting payment of taxes, levies and cost reflective network charges for shared electricity**
- **Obligation to inform DSOs and Suppliers of Energy Sharing initiatives.**
- **Customer can select an energy sharing agent**
- DSO Obligations:
 - Monitoring, collecting validating and **communicating metering data** every month. (ensuring an **appropriate IT infrastructure** is present)
 - Provide a **contact point to facilitate and register energy sharing arrangements provide practical information, receive information on relevant metering points, changes in location and participation, and, where applicable, validate calculation methods in a clear, transparent and timely manner.**

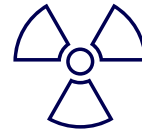
Consolidated Text

Consumer Empowerment and Protection



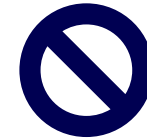
Fixed price contracts (Directive – Art. 11)

- Suppliers to offer fixed-price, fixed-term contracts in addition to dynamic price contracts
- **Derogation for suppliers above 200 000 connected customers, if supplier only offers dynamic price contracts and the exemption does not have a negative impact on competition or on sufficient choice of fixed term, fixed price contract**



Supplier risk management (Directive – Art. 18a)

- NRAs to ensure **suppliers have appropriate hedging strategies in place**
- **PPAs** and forward contracts are **considered a supplier hedging strategy**
- MS to set up **enabling conditions for energy communities to access hedging products.**



Disconnection ban (Directive – Art. 28a)

- Ban to disconnection of vulnerable customers or those at risk of energy poverty
- Encouragement to set up self reading every 3 months.

Consolidated Text

Consumer Empowerment and Protection



PPAs (Directive – Art. 19a)

- **MS promote usage of PPAs to counter volatility** and remove barriers to PPAs
- **Limited to renewables** and exclusion of fossil fuel generated electricity
- Commission to create a **voluntary market platform for electricity purchase agreements**



CfDs (Directive – Art. 19b)

- Direct price support schemes in the form of bidirectional CfDs **for new investments in new generation electricity facility**
- **Voluntary** for **repowering** investments in **existing power generation facilities.**
- Covered: wind, solar, geothermal, hydraulic, reservoir, nuclear

Consolidated Text Distribution System Operators Provisions



Tasks of DSOs (Directive – Art. 31)

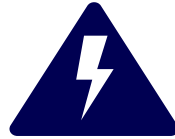
- Publish information on the capacity available for new connections in its area of operation (including flexible connections) on a quarterly basis
- Provide information about the **status** and **treatment of connection requests within 3 month of submission request** .
- **MS may derogate** these obligations for DSO **under 100 000** connected customers, however encouraged to publish annually.



Cooperation between TSOs and DSOs (Regulation – Art. 57)

- TSOs and DSOs to cooperate in publishing information on the **capacity available for new connections to provide visibility to developers of new energy projects.**

Consolidated Text Final Provisions



Electricity price crisis (Directive – Art. 66a)

- Council to declare regional or Union price crisis in case of **very high prices** in wholesale markets
 - at least 2 1/2 times average price during previous 5 years and at least 180€/MWh, expected to last at least 6 months
 - Retail price increase of 70 % for at least 3 months
- **MS allow to set temporary targeted public interventions in price setting** for SMEs and household customers



Commission reviews and reports (Regulation – Art. 69)

- **By 30th June 2026 EC to review and report to EP.**
- Possibility of submitting a legislative proposal.
- 9 month from publication EC to submit proposal on streamlining the process of capacity mechanism.

Commission reviews and reports (Directive – Art. 69)

- **By 31st December 2025 EC to review and report to EP.**
- Possibility of submitting a legislative proposal

The Network for Networks



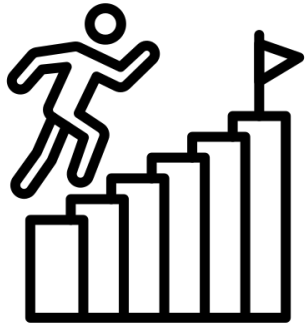
Action Plan on Grids



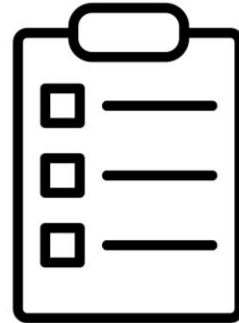
Action Plan on Grids – 29 November



7 Challenges



14 Actions



Pact for Engagement



7 Challenges

1) Accelerating implementation of existing PCIs and developing new projects

2) Enhancing long-term network planning

3) Introducing a supportive, future-proof regulatory framework



4) Making better use of existing grids and smartening them



5) Improving access to financing



6) Ensuring faster and leaner permitting processes



7) Strengthening supply chains

Key Actions for DSOs



Action 4

Commission to propose **guiding principles** identifying conditions under which **anticipatory investments** in grid projects should be granted.

Action 8

ACER, in its next tariff report, to recommend **best practices** in relation to the promotion of smart grids and network efficiency technologies through tariff design, focusing on the **consideration of OPEX in addition to CAPEX** and benefit sharing.

Action 9

Commission to identify tailored **financing models** and strengthen dialogue to **address obstacles to private financing**.

Key Actions for DSOs



Action 10

Commission to increase visibility on opportunities from **EU funding programmes for smart grids and modernisation of distribution grids.**

Action 11

Commission to **support permitting acceleration** providing guidance and technical support on how to implement existing legislative tools and Member States to implement acceleration measures.

Action 12

Commission to launch a **Pact for Engagement** for early, regular and meaningful stakeholder engagement and regulatory support.

Gas and Hydrogen Market Package



Directive – Agreement found on the 27th November;

Regulation – Agreement found on 8th December

23 January - Validation of both texts in ITRE Committee

Next Steps: European Parliament Plenary voting (10 – 11 April) and adoption at Ministerial level

Official Journal Publication is expected for May



- **Key achievement for GEODE within the Directive :**
 - **Unbundling of Hydrogen Operators (Article 63)** only limited to TSOs and with possibility for Member States to remove the obligation based on a cost-benefit analysis.
 - **Split between Hydrogen Distribution and Transmission** is consolidated (Article 2)
- Still a few points open to be negotiated within Technical Trialogues (4th December):
 - End of the transition period for existing hydrogen networks
 - Definition of geographically confined networks
- **Next Steps – new governance**
 - A separate entity for Hydrogen ENNOH (first meeting held on 23.01.2024) will be created for H2 TSOs
 - **Gas and H2 DSOs will integrate into the EU DSO Entity**

European Commission Communication on 2040 Targets



Released on February 6th along with :

- Impact Assessment Report accompanying the 2040 targets Communication
- EC Communication "Towards an ambitious Industrial Carbon Management for the EU"



- The Commission **proposes a 90% greenhouse gas (GHG) emissions reduction** compared to 1990 levels by 2040 based on the impact assessment, which includes three possible scenarios:
 - Option 1: a reduction of up to 80% compared to 1990
 - Option 2: a reduction of 85-90%
 - Option 3: a reduction of 90-95%.
- 90 % Reduction Target can be achieved based on a cross sectoral decrease of emissions, as well as important Energy system Investments

European Commission Communication on 2040 Targets



Policy Implications:

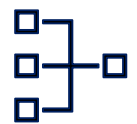
Delivering the target will largely depend on the full implementation of the 2030 policy framework. Building on the existing legislation, the Commission looks at the following scenarios and options for 2040



Energy prices: Reducing energy prices, through PPAs, particularly for **energy-intensive industries** which face the dual challenge of investing in clean production methods and high energy-prices.



Energy efficiency and buildings: Future policies should seek to encourage energy performance contracting and promote innovative market-based financing solution.



Electrification, grids and infrastructure: Acceleration of efforts and investments in expansions, digitalization and increased flexibility of the grids, making the Action Plan on grids a continued priority for the EC in achieving the 2040 Targets. In addition, it calls on increasing resilience and security of critical energy infrastructure.

European Commission Communication on 2040 Targets



Policy Implications:

Delivering the target will largely depend on the full implementation of the 2030 policy framework. Building on the existing legislation, the Commission looks at the following scenarios and options for 2040



- **Energy system integration, storage, digitalization, and flexibility:** System integration is essential and requires important investments in reinforcing infrastructure with the Communication stressing the need for further policies to boost investments (digitalization, AI, networks, storage and flexibility market solutions).



- **Fossil fuels:** EC foresees an 80% decrease in fossil fuel consumption for energy. The Commission still sees a role for gas in industry, buildings and electricity, coupled with CCS to mitigate climate impact.



- **Industry Decarbonization Deal:** Aimed at safeguarding European industries while accelerating the reduction of GHG emissions, the Communication proposes to set up an enabling framework for competitiveness, that puts due attention to decarbonization and circularity, accompanied by a growing need for industrial carbon management and removal

European Commission Communication on 2040 Targets



Policy Implications:

Delivering the target will largely depend on the full implementation of the 2030 policy framework. Building on the existing legislation, the Commission looks at the following scenarios and options for 2040



- **Investment policy:** calls for an additional percentage of GDP to be invested annually in the green transition by:
 - By streamlining and creating synergies across existing instruments
 - More options should also be explored to create a business case for new business models in the key sectors of the economy needed for the transition.
 - **Making adjustments to the EU's funding and financing landscape** such as deepening the Capital Markets Union, reflection on investment policies at large, looking at taxation policy, access to finance, regulatory simplification, creating a “true single market for key technologies, establishment of one stop shop for existing funding instruments.
- **Other relevant potential policy areas:**
 - Reduction of dependance on Imports
 - Decarbonising Transport and improving mobility: Focusing on the Aviation and Maritime Transport Sector
 - Land, food, and bioeconomy and Sustainable land use
 - Research, Innovation and Skills (A just and fair transition for people)

The Network for Networks



Integration of Gas DSOs into EU DSO Entity



Integration of Gas DSOs into EU DSO Entity



Art. 36 Gas Regulation proposal



Definition of a common position

Meeting EU DSO Entity (24th of January)

Approach European Commission (awaiting response)

Joint WG GAS DSO Associations & EU DSO Entity

EU DSO Entity – Gas DSOs Integration

General Principles



The principles the 4 Secretary General agreed on are the following:

- EU Electricity Market Regulation 2019/943/EU – with all the governance rules it contains - is the basis for the integration of gas DSOs, along with AISBL. Governance rules should be phrased as closely as possible according to the Regulations. However, limited deviations may be necessary.
- There is 1 Board, composed of 27 members, representing both electricity and gas DSOs.
- There are 3 categories , with the limits as described in the EMD Regulation text.
- The composition of the Board will be shared between electricity and gas DSOs, in principle on a 50/50 basis.
- Hydrogen and gas DSOs are considered as being part of the same sector (referred to as ‘gases’)

Based on these principles, a Taskforce has been set up among the four EU GAS DSOs associations, and three proposals have been developed.

EU DSO Entity – Gas DSOs Integration

Governance rules



1. The election procedure for the Board members (for the agreed number of seats for each activity) will proceed through separate election processes for electricity and gas, with voting power based on their respective connection numbers. The current rules and criteria of the election process will apply.
2. To ensure a balanced governance in the Board and General Assembly, it is proposed that any decision should require a double majority to be adopted.
3. Financing:
 - **One single budget** for the EU DSO Entity, comprising of:
 - **Separate budget lines in internal accounting for sector-specific activities, such as dedicated expert groups.**
 - **Shared costs**, such as overhead costs related to the **Secretariat** and possible **cross-sectoral expert groups**, are covered by both sectors proportionally to number of Board seats.
 - **Legal support** to the EU DSO Entity for integration of gas DSOs: common costs shared equally by both sectors. Sectors bear their own costs for sectoral support.

The Network for Networks



Point VII. Working Group Updates



The Network for Networks



WGs Survey 2023



GEODE Working Group Survey – General Data



- 13 responses
- Overall satisfaction is 4,3

WG Innovation & Development



- 5 responses
- Overall satisfaction is 4,3

WG Gas



- 5 responses
- Overall satisfaction is 4,3

WG Customer Dialogue



- 10 responses
- Overall satisfaction is 4,4

WG Regulation



The Network for Networks



WG Regulation



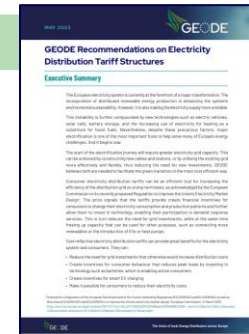
WG Regulation 2023



4 Meetings

- 9 March 2023 - 10 participants from 5 EU countries + UK + Norway
- 21 June 2023 - 9 participants from 7 EU countries + Norway
- 3 October 2023 - 8 participants from 4 EU countries + Norway
- 18 December 2023 - 11 participants from 6 EU countries + Norway + UK

Position paper on the EMD reform (Feb. 2023) & recommendations on electricity distribution tariff structures (May 2023)



Topics Discussed

- The role of DSOs in the new regulatory framework
- The reform of the energy market design
- DSOs tariff structures and regulatory framework for revenue
- Position Paper on Revenue Regulation (currently being drafted)
- Energy sharing (Fact sheet jointly developed with Innocation WG)



WG Regulation 2024 Work Plan



Topics

- The role of DSOs in the new regulatory framework
- The reform of the energy market design
- DSOs tariff structures and regulatory framework for revenue

Deliverables

- Position Paper on Revenue Regulation – in progress
- Fact Sheet on Energy sharing (jointly prepared with WG Innovation) – in progress

PER EVERHILL | CHAIRMAN
WG REGULATION



TEKNISKA VERKEN (SE)

The Network for Networks



WG Gas



WG Gas 2023



6 Meetings

- 21 February 2023 – 9 participants from 4 EU countries + UK
- 4 May 2023 – 9 participants from 5 countries + UK
- 30 June 2023 – 7 participants from 6 EU countries + UK
- 9 October 2023 – 7 participants from 6 EU countries
- 13 November 2023 – 10 participants from 7 EU countries
- 11 December 2023 – 10 participants from 7 EU countries

Recommendations on horizontal unbundling of Hydrogen Network Operators, October 2023

Topics Discussed

- The role of gas infrastructure
- Green gases
- The synergies between gas & electricity networks
- Gas market
- Methane emissions

October 2023
GEODE NEWS

GEODE Position Paper on Hydrogen and Gas Markets Decarbonization Package calling for a removal of Article 63 on horizontal unbundling of hydrogen network operators

GEODE, the European association of local energy distributors across Europe appreciates the work undertaken by the Council, European Parliament, and European Commission in relation to the Hydrogen and Gas markets decarbonization package. Nevertheless, ahead of the next set of trilogue negotiations, we would like to call upon legislators to reconsider the inclusion of art. 63 of the Gas Directive in the current form and its mention to be removed from art. 42 paragraph 3a.

The current formulation of art. 63 on "horizontal unbundling of hydrogen network operators" states: "Where a hydrogen network operator is part of an undertaking active in transmission or distribution of natural gas or electricity, it shall be independent at least in terms of its legal form."

As currently formulated the provision does not bring additional clarification to the text for the following reasons:

1. If the current formulation refers to a more extensive form of separation, it would imply an unbundling at ownership level. The economic implications of such definition would be vast, especially in terms of assets transfer from the parent company to the hydrogen network operator. DSOs would have to undergo an evaluation of current assets. The appraisal of the grid is not as linear as other assets. This is so, given that the actual life of the grid would exceed market value under commercial or tax legislation. Imposing a positive evaluation, even beyond the accounting depreciation purposes. This is particularly true if we were to look at conversion of the grid to support hydrogen, which is directly targeted by the article 63 provision.

Consequently, market value of the transferable assets would exceed bookkeeping value. This positive appraisal of the assets would ultimately result in important proceedings for the GAS DSOs transferring the assets towards the hydrogen operator, who will need to have important capital to ensure acquisition. This would be an important investment for DSOs operators under 100 000 customers, who would potentially have to reach out to outside investors, having direct implication on final customers and network fees. As a matter of fact, the latter would be utilized to repay the investments. Consequently, making the hydrogen grid charges significantly higher than what they would have been if the unbundling of the assets would have not taken place. Ultimately, the strong unbundling would be a strong deterrent for reconversion of the current grids towards hydrogen transport.

GEODE - The Voice of Local Energy Distributors across Europe
Avenue Marnix 20 - 1000 Brussels, Belgium - Tel: +32 2 294 44 00
info@geode.eu



WG Gas 2024 Work Plan

Topics

- Gas & Hydrogen Market Package Implementation
- European Commission Strategy on Carbon Capture and Storage
- Implementation of the Methane Regulation
- GAS DSO Integration of the EU DSO Entity
- Network Codes

Deliverable

Guideline document on leak detection, monitoring and repair based on the Methane Regulation

CHRISTIAN HELD | CHAIRMAN
WG GAS



BECKER BÜTTNER HELD (DE)

The Network for Networks



WG Innovation & Development



WG Innovation & Development 2023

4
Meetings

- 26 January 2023 (Online & Brussels) – 17 participants (6 in-person, 11 online)
- 9 May 2023 (Online & Brussels) – 21 participants (12 in-person, 9 online)
- 25-26 September 2023 (Online & Munster) – 20 participants (9 in-person, 11 online)
- 11 October 2023 (Online) – Ad hoc meeting on Energy Sharing

Topics
Discussed

- TSO-DSO cooperation
- Digitalisation
- Distributed Flexibility
- Cybersecurity
- Policy updates
- Submetering
- Energy Sharing

RAMÓN GALLART | CHAIRMAN
WG INNOVATION & DEVELOPMENT



Anell (ES)

WG Innovation & Development 2024 Work Plan



Topics

- Updates on Network Codes (NC Cybersecurity, NC Demand Response, existing NCs)
- Energy Sharing
- Digitalisation of DSOs

Deliverables

- Energy sharing (Fact sheet jointly developed with WG Regulation)

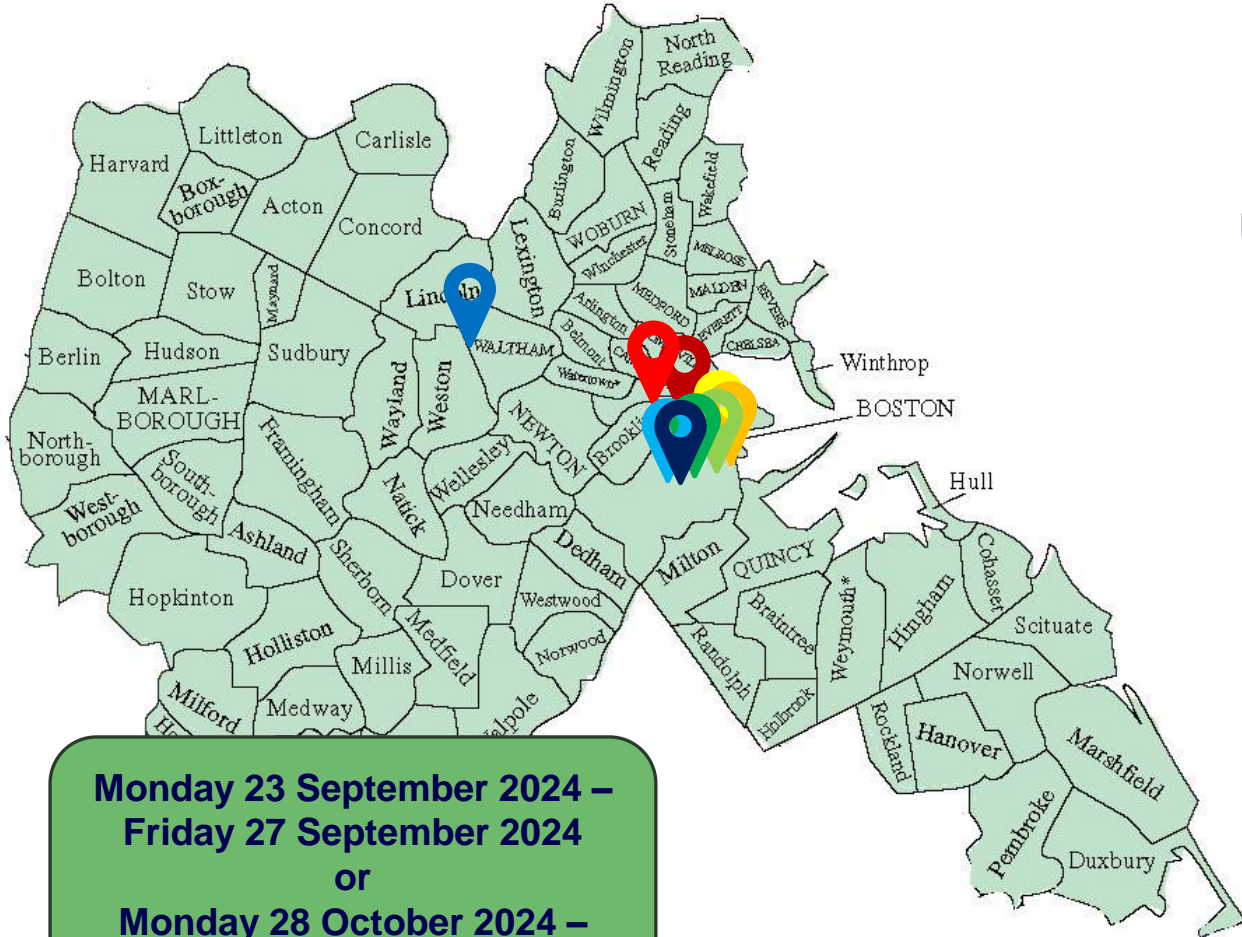


RAMÓN GALLART | CHAIRMAN
WG INNOVATION & DEVELOPMENT



Anell (ES)

GEODE Study Trip 2024 Boston, Massachusetts, USA



**Monday 23 September 2024 –
Friday 27 September 2024
or
Monday 28 October 2024 –
Friday 1 November 2024**



UNIVERSITIES



REGULATORY



UTILITIES



INNOVATION

- Massachusetts Institute of Technology (MIT)**
- Harvard University**
- Department of Public Utilities**
- Massachusetts Clean Energy Center**
- Grid Modernization Advisory Council**
- Boston Community Choice Electricity**
- Eversource Energy**
- National Grid**
- Avangrid**

The Network for Networks



WG Customer Dialogue



WG Customer Dialogue 2023



3
Meetings

- 28 February 2023 – 10 participants from 3 EU countries + UK + Norway
- 6 June 2023 – 10 participants from 3 EU countries + UK + Norway
- 11 October 2023 – 8 participants from 4 EU countries + Norway

Fact-sheet launched in February 2023

Topics Discussed

- Energy Communities
- Energy consumers of the future



DSOs endorse EVs as Part of the Solution

As identified by the European Commission in the European Climate Deal and in the legislative proposals of the Fit for 55 package, e-mobility is crucial to decarbonising the transport sector. Transport alone accounts for one in quarter of CO2 emissions in the European Union – the highest producer, ahead of even the energy sector (Figure 1).

The European Union has pledged to become the first climate neutral continent by 2050. This ambitious commitment is now even more pressing following the invasion of Ukraine, and priority being placed on reducing fossil fuel dependency from Russia to overcome the energy crisis. To reduce this dependency, electric vehicles (EVs) will play a critical role.

Electromobility is no longer a futuristic concept or a what-if scenario – EVs are here to stay. In Europe, there are currently 3.5 million EVs on the roads with between 50-70 million expected by 2030. This is positive news for decarbonisation but questions remain: How will these EVs get the electricity they need? Will the grid provide sufficient capacity to make it possible? and when will all this happen?

To ensure all EVs can be charged efficiently, a holistic approach is needed to ensure there is not an over investment in the grid with the higher costs for all DSOs. Within GEODE we want to play an active role endorsing and

accelerating the transition towards an electric fleet and be ready with the needed infrastructure to connect EVs to the grid ensuring capacity, efficiency and grid security when the demand requires it. DSOs – as a neutral market facilitator – also want to be close to customers and support them in this transition. As DSOs we cannot wait until all needed regulations and recharging infrastructure is in place. We need to act now!

In this fact sheet we aim to reflect on what DSOs can do to help a fast and secure transition for EVs. It is a holistic view of the grid enabling this development while helping customers. **Customers and the grid working together!**



WG CUSTOMER DIALOGUE

ROLAND TROPPER



VOEEW (AT)

WG Customer Dialogue 2024 Work Plan

Topics

- Energy consumers of the future
- Energy Communities
- Consumers engagement and satisfaction
- DSOs connecting Distributed energy resources

Deliverables

- Energy Communities – Fact-sheet in the process

WG CUSTOMER DIALOGUE

ROLAND TROPPER



VOEEW (AT)

The Network for Networks



WG EU DSO Entity



WG EU DSO Entity

5
Meetings

- 2 February 2023 – 8 participants from 4 EU countries + UK
- 19 April 2023 – 9 participants from 4 EU countries + UK
- 6 June 2023 – 10 participants from 5 EU countries + UK and Norway
- 13 September 2023 – 9 participants from 3 EU countries + UK and Norway
- 15 November 2023 – 9 participants from 4 EU countries + UK + Norway

Topics
Discussed

- Briefing on the Board Meetings of DSO Entity
- Briefing on meetings of CEG and SAG of DSO Entity
- Briefings by Expert Groups in DSO Entity
- Updates on the inclusion of gas DSOs

WG DSO Entity

INA LEHTO



FINNISH ENERGY (FI)

The Network for Networks



Coffee Break



The Network for Networks



Point VIII. GEODE Strategy Discussion (I)



The Network for Networks



GEODE Board Meeting
08.02.2024

Expansion of GEODE's scope to district heating and cooling

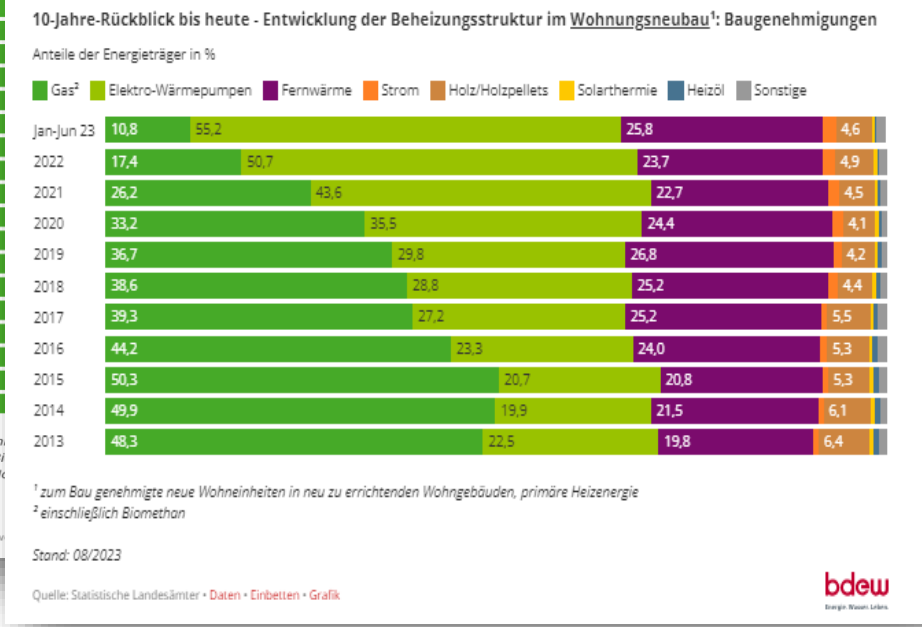
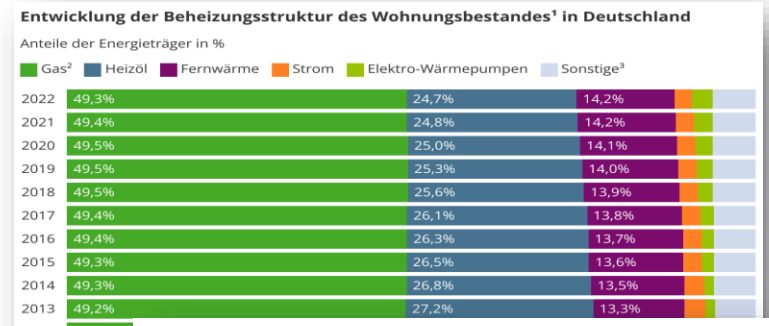
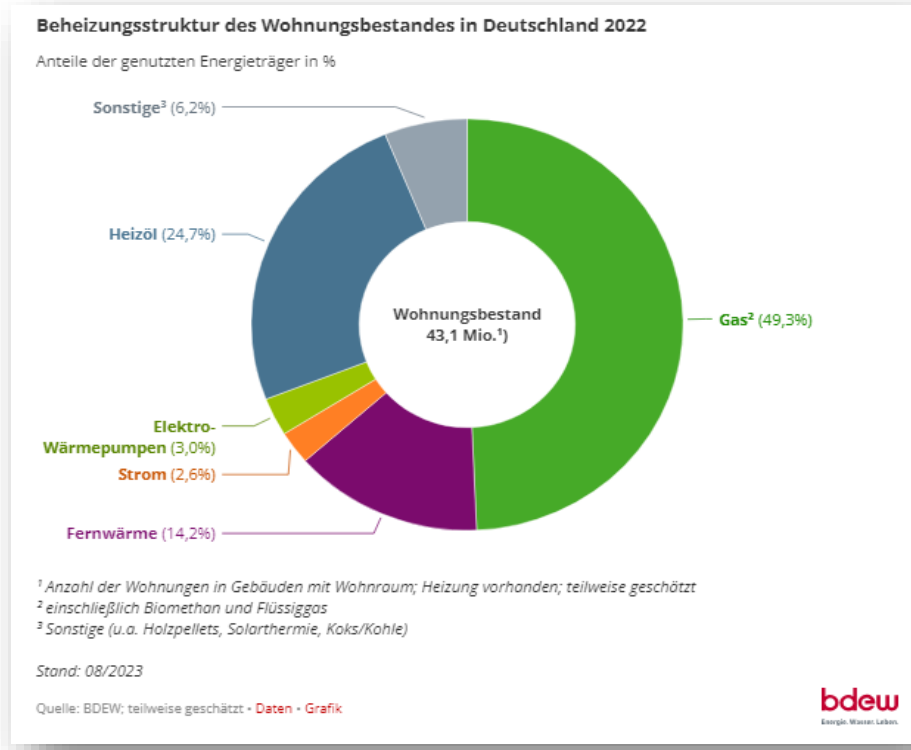


Evolving Landscape for Our Association



- Traditionally, our focus has been on legal and regulatory developments relevant to **gas and electricity grids**
 - A **holistic view** on the energy system was always necessary
- GEODE is currently facing a significant shift: the **phase-out of natural gas** usage
- However, **molecules remain essential**, particularly in industry (with 95% of industrial gas clients connected to DSO grids), the transport sector, and, in some cases, the heating market
- But: The heating market of the future will look different than it does today

Why is the transformation of the heating supply so difficult? Heating structure in Germany



- The use of natural gas for heating in existing buildings has been at a high level for years (approx. 50 %), while the percentage of heating oil is falling slightly
- Falling share of natural gas in new builds since 2015, increasing importance of heat pumps

The need for an integrated approach



- Strategic and active involvement of DSOs in **municipal heating and cooling planning** (Art. 25 EED) is essential
- Network development planning to manage the **transformation of the gas networks** (Art. 52 Gas Directive)
 - Processing of gas grids
 - Hydrogen infrastructure planning
 - Interplay
- **Sector coupling** becomes increasingly important
 - Interaction of developments in the heating market with **the expansion of the electricity grid**
 - Massive expansion required at distribution grid level due to **increasing use of heat pumps** and other electricity applications in the heating and cooling market
 - Both in areas with and without a gas grid
- District and local heating and cooling networks **will be crucial** in reshaping and decarbonizing the heating sector

The importance of district local heating and cooling networks



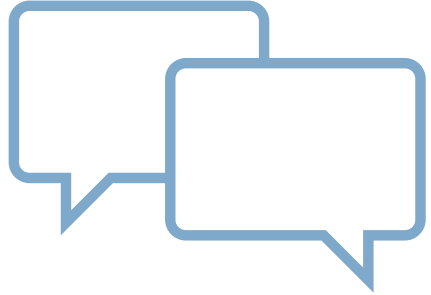
- To achieve the climate targets in the building sector, a massive **expansion of district heating networks** based on renewable energies is necessary
- Particularly in **inner city areas**, switching to district heating can have advantages over the installation of decentralized heat pumps
- In **Southern European** member states district and local cooling will become **increasingly important** because of the climate change
- District and local heating networks present an **appealing business model** for our members and especially for gas DSOs

Why we must expand our scope



- In the **evolving energy landscape**, we need to **define our role** and strategically position ourselves in the future energy system
- Need for a **holistic view** of energy supply for heating and cooling
 - Synergies between electricity, gas, heating and cooling networks for an effective energy supply
- The transformation of gas networks and the expansion of district heating networks must go **hand in hand**
- We must **expand our scope** in order to continue to represent the interests of our members well in the future
- The **statutes of GEODE A.I.S.B.L** do not contain restrictions: Representation of gas and electricity DSOs as well as district heating network operators is possible in this respect

Discussion



The Network for Networks



Lunch Break



The Network for Networks



Point IX. GEODE Strategy Discussion (II)



GEODE THE NETWORK FOR NETWORKS

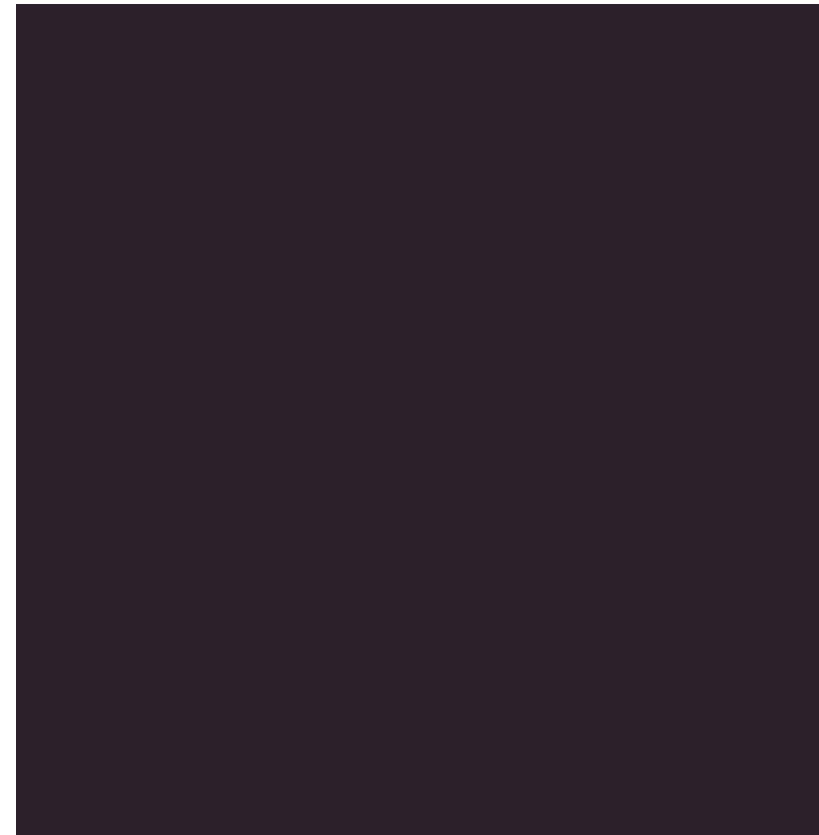


STRATEGY DISCUSSION – INTRODUCTION

A new role for DSOs?

or

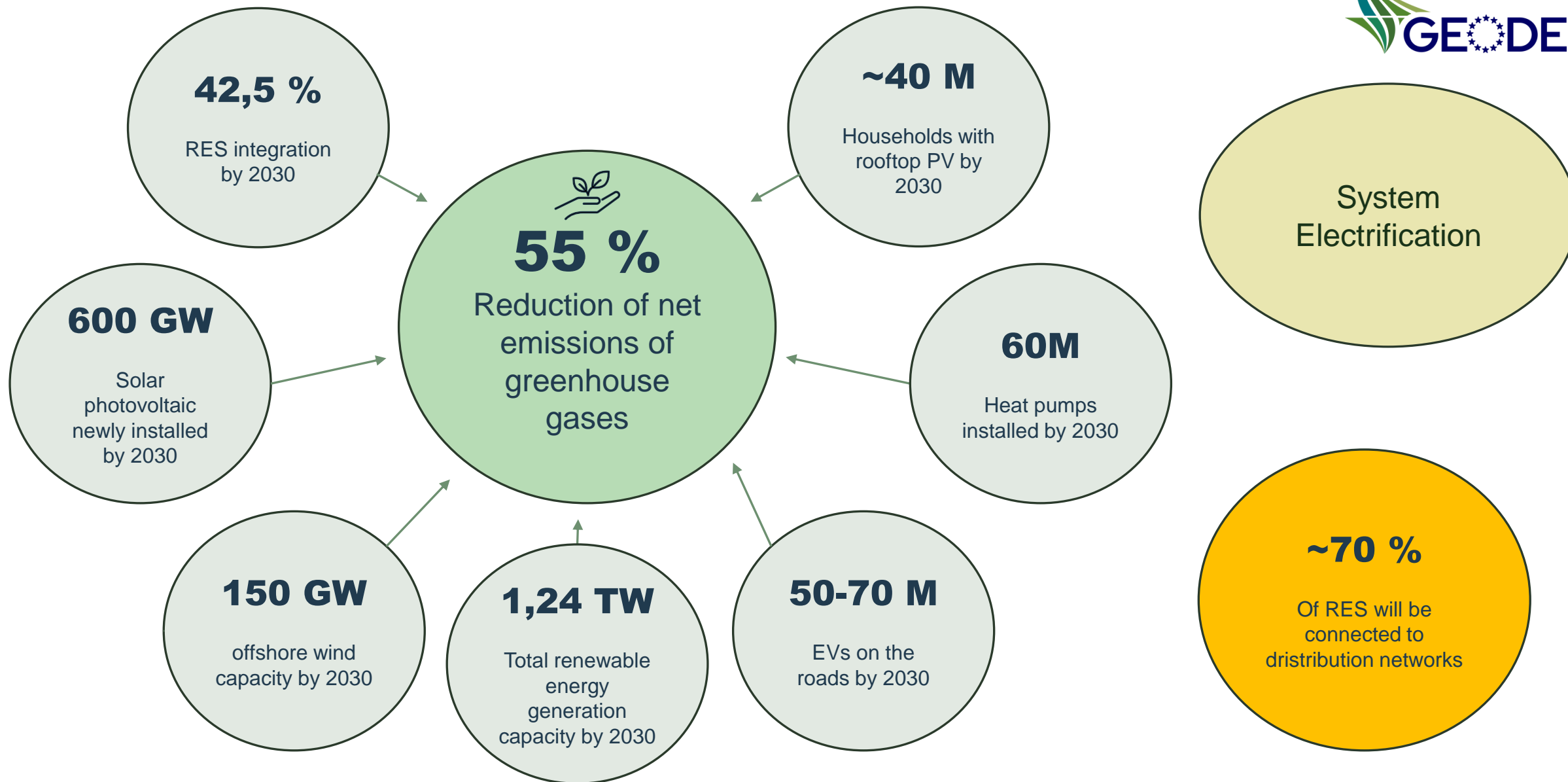
A new way to operate the grid?



Still keeping the lights on 24/7

Grids fit for purpose of energy system needs

EU POLICY AND GOALS BY 2030



GRIDS FIT FOR PURPOSE OF ENERGY SYSTEM NEEDS

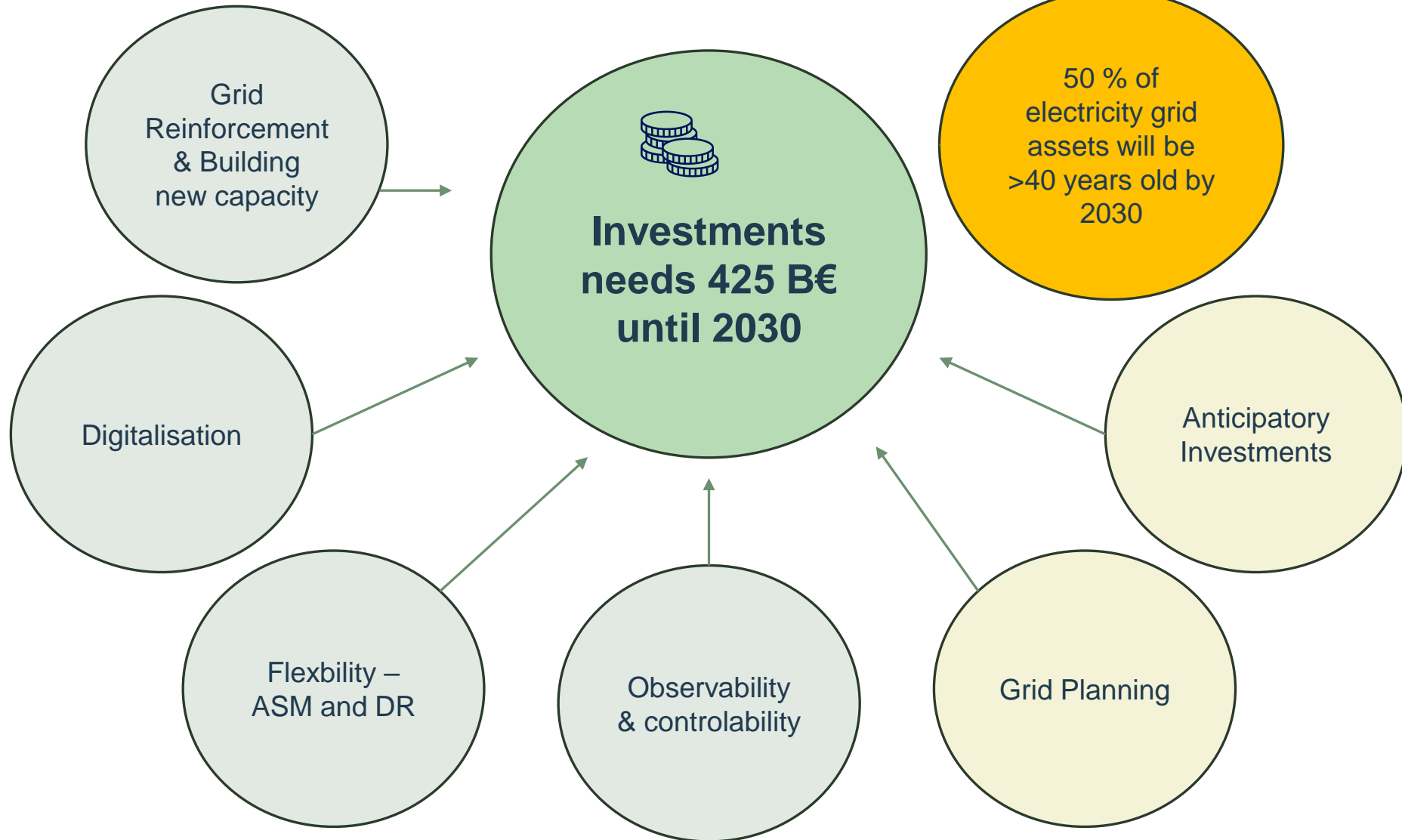
Stronger, more digital, cyber-proof and resilient grids are needed



Grid investments are needed **NOW**. Speed is the real challenge!

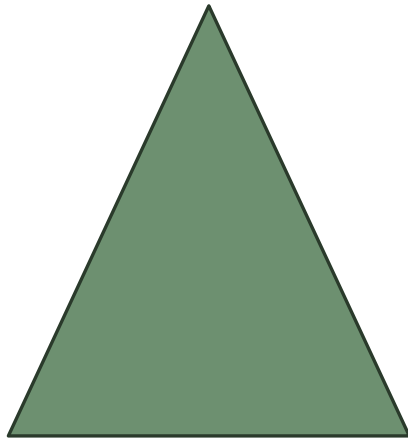
+19%

Connection requests between 2020 & 2021



Are we investing sufficiently in our grids?

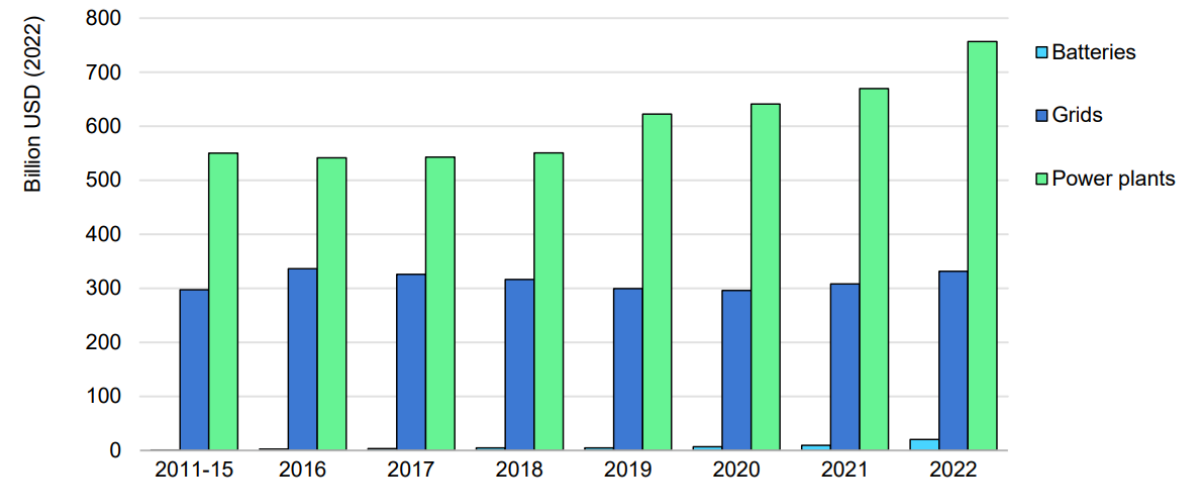
Renewables



Storage

Grids

Annual investment in power capacity and grids, 2011-2022



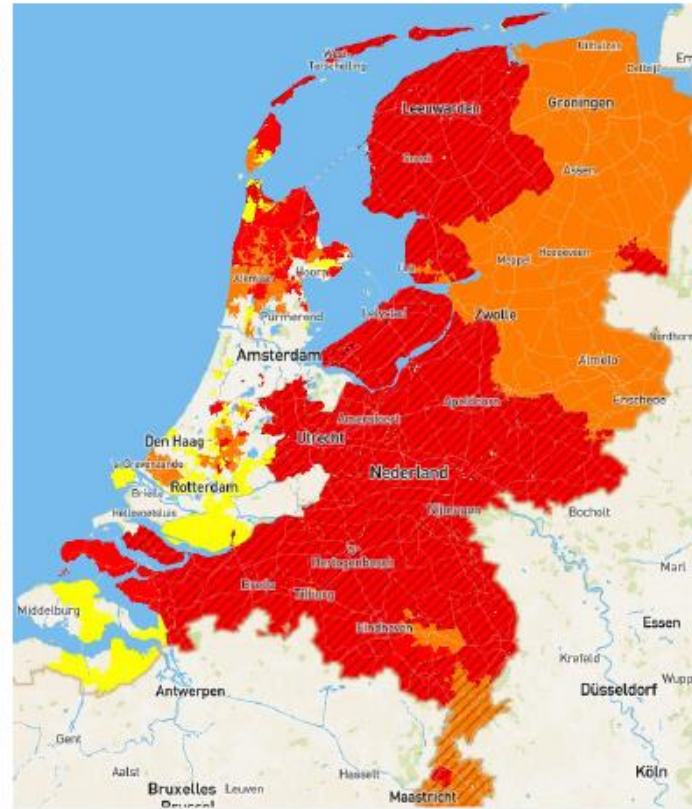
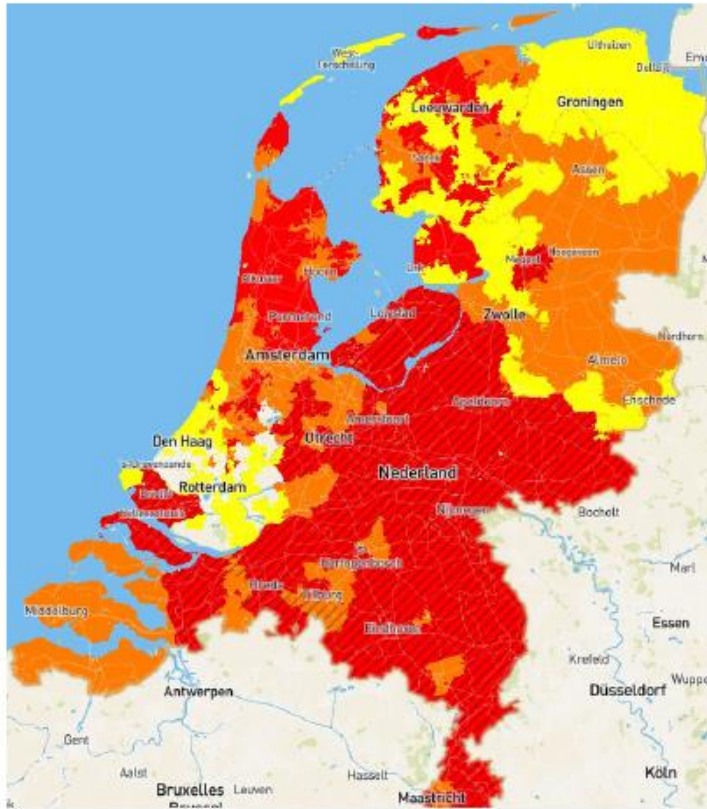
IEA. CC BY 4.0.

Source: IEA (2023), [World Energy Investment](#).

Why now? - What brings attention on grids?



Case of the Netherlands: Towards default non-firm connections agreements?



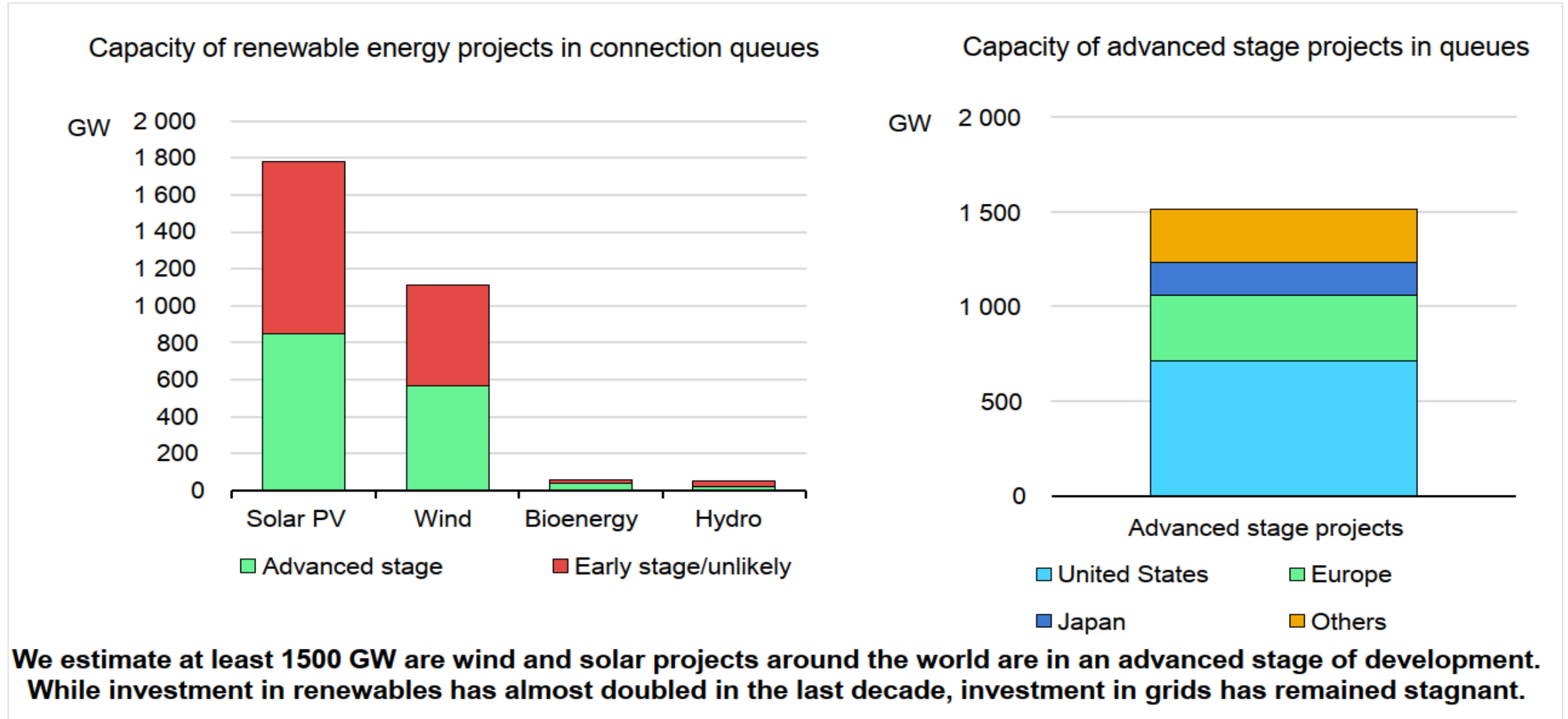
Electricity grid under further pressure:
government and grid operators are taking
drastic measures

October 18, 2023

Share over: [f](#) [t](#) [in](#) [m](#)



Grids are becoming a bottleneck for energy transitions



Source: IEA Electricity Grids & Secure Energy Transitions, 17 October 2023

EU instruments to ensure grids are fit for purpose



Electricity Market Reform

Grids, the missing link - An EU Action Plan for Grids



To facilitate anticipatory investments

Agreement 14 December 2023

Publication 29 November 2023

Ensuring grids are fit for purpose



**Adequate
Financing**



**Anticipatory
Investments**



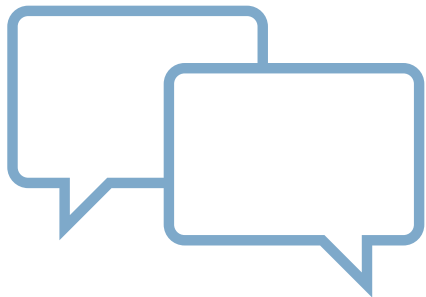
**Faster
permitting**



**Grid
Resilience**

Discussion

Given the legislative proposals (**EMD, Gas & Hydrogen Package, EPBD and other fit for 55 files**), that have been achieved in the current EC mandate along with the release of the **Action Plan on Grids**, and new **EC Communication on 2040 targets**, what priorities do you identify for GEODE to focus on during 2024?



The Network for Networks



Point X. Wrap-up of breakout sessions



GEODE Priorities 2023



Defining the new roles for DSOs in the decarbonisation transition

Electricity Market Design Reform

Renewable gases & H2 markets (Gas Package)

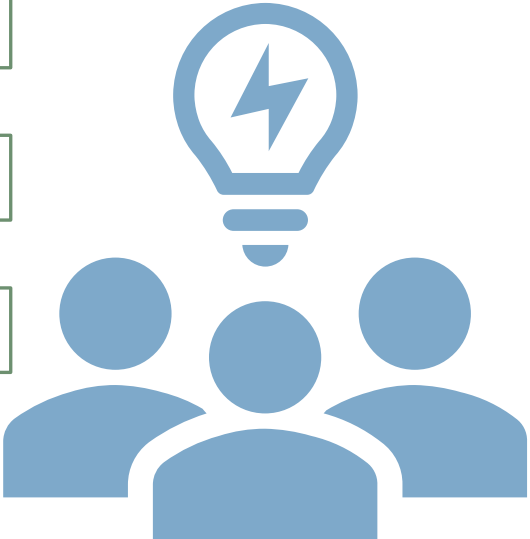
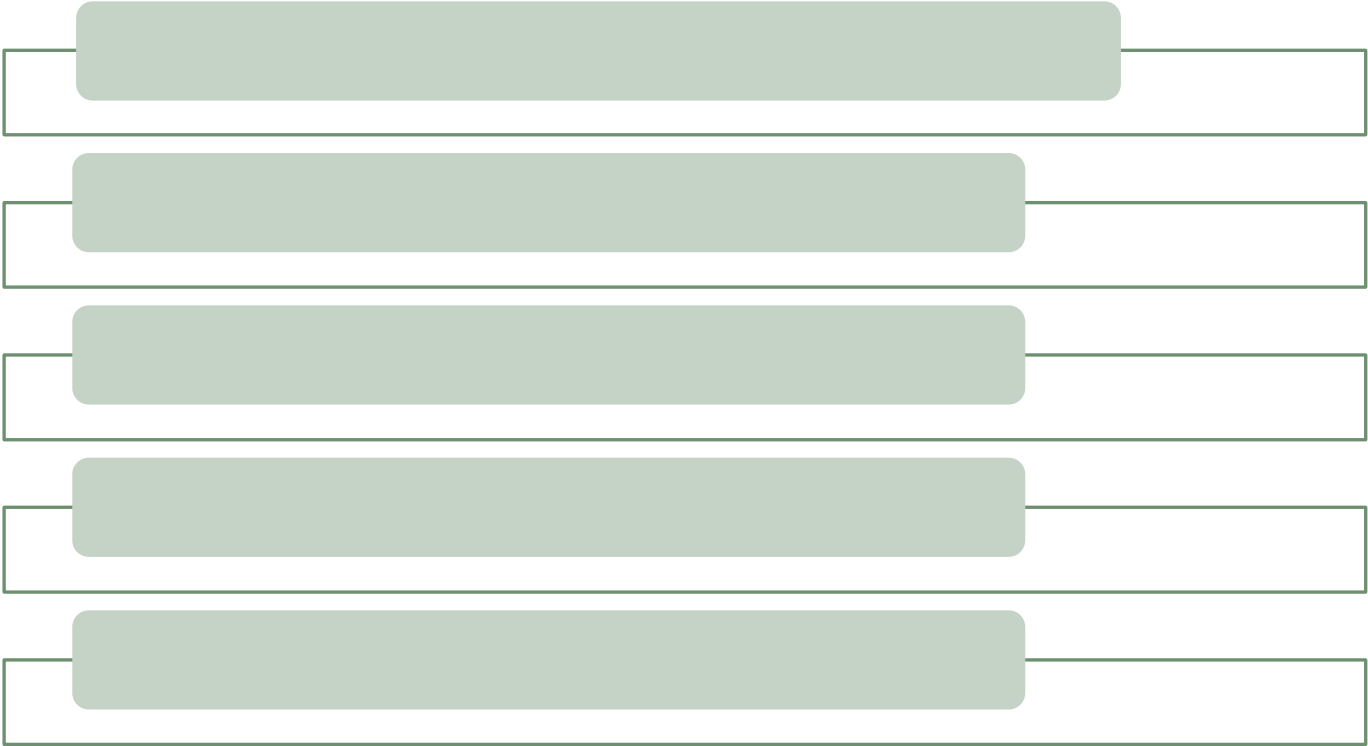
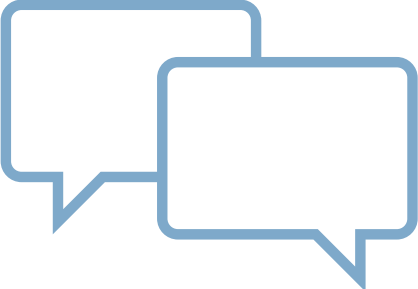
DSO-TSO cooperation (incl. between electricity & gas)

Development of distributed flexibility

Empowering of the consumers' role

Financing the energy transition

GEODE Priorities 2024



The Network for Networks



Point XI. Spring Seminar



Discussion

A promotional banner for the GEODE Spring Seminar 2024. The background is a vibrant blue sky with white clouds over a field of solar panels. The text is overlaid on a dark blue geometric shape on the left. The text includes the GEODE logo, the event title "GEODE SPRING SEMINAR", the year "2024", the location "SPARKS MEETING, BRUSSELS", and the date "28 MAY". In the top right corner of the banner, the text "SAVE THE DATE" is written in white on a teal background.

 **GEODE**
SPRING
SEMINAR

2024

SPARKS MEETING, BRUSSELS
28 MAY

SAVE THE DATE

Draft Agenda



27 May 2024		
18:30	Joint Activity	TBD
20:00	WELCOMING DINNER	La Chaloupe d'Or
28 May 2024		
9:30	WELCOME & INTRODUCTION	Hans Kreisel – CEO Nordion Energi (SE) & Chairman, GEODE
9:40	KEYNOTE SPEECH	Mechthild Woersdoerfer, Deputy Director-General DG ENER, European Commission (TBC)
10:00	SETTING THE SCENE	<p>INTRODUCTION</p> <p>Pablo Hevia Koch - Head of Renewable Integration and Secure Electricity at IEA- Presenting Report on Grids (TBC)</p> <p>Ilaria Conti, Head of Gas and Hydrogen Area , Florence School of Regulation (TBC)</p> <p>Q&A</p>
10:45	COFFEE BREAK	
11:15	ROUNDTABLE DISCUSSION MODERATOR Per Everhill, Director, Tekniska Verken, SE (TBC)	<p>EMPOWERING GRIDS: MAIN DRIVERS FOR GRID'S INVESTMENTS</p> <p>Introduction:</p> <p>Per Everhill, Director, Tekniska Verken, SE – <i>Presentation of GEODE Income Regulation Position Paper</i> (TBC)</p> <p>Prof. Christian Held, Partner, Becker Büttner Held, DE -<i>Presentation GEODE Germany Position Paper on Financing the Grids</i></p> <p>Global Infrastructure Investor Association (TBC)</p> <p>European Investment Bank (TBC)</p> <p>Proposal to gather a number of NRAs representatives.</p> <p><i>Spanish National Regulator</i> (TBC)</p> <p><i>UK National Regulator</i> (TBC)</p> <p><i>Finnish National Regulator</i> (TBC)</p> <p><i>Austrian National Regulator</i> (TBC)</p> <p><i>German National Regulator</i> (TBC)</p> <p>Q&A</p>

12:45	LUNCH	
13:45	SETTING THE SCENE	<p>INTRODUCTION</p> <p>Greg Smith, Micheal Kruse , Matthias von Bechtolsheim, Authors, Arthur D Little – Getting ready for the energy consumer of the future</p>
14:00	ROUNDTABLE DISCUSSION MODERATOR Hans Kreisel, CEO Nordion Energi (SE) & Chairman, GEODE (TBC)	<p>THE ENERGY CONSUMER PARADIGM SHIFT – WHAT MINDSET CHANGES ARE NEEDED IN ENERGY COMPANIES PREPARING FOR TOMORROW'S ENERGY LANDSCAPE ?</p> <p>Adela Tesařová , Head of Unit, Consumer, Local Initiatives, Just Transition, European Commission representative (TBC)</p> <p>BEUC (TBC) /Next Energy Consumer (TBC)</p> <p>ReScoop (TBC)</p> <p>1-2 GEODE members representatives (TBC)</p> <p>Q&A</p>
15:15	CLOSING REMARKS	Carmen Gimeno , GEODE Secretary General

The Network for Networks



Point XII. Miscellaneous



The Network for Networks



Point X.
Next meeting 22 April 2024 (online)



Planning - GEODE Board meetings 2024



22nd April 2024, Online meeting – from 14:00 – 16:00 (CET)

4th June 2024, Online meeting – from 14:00 – 16:00 (CET)

12th September 2024, Physical meeting in Kristiansand (NO) – from 9:30 – 15:00 (CET). The meeting will be opened with a dinner the evening before (11th September)

11th December 2024, Online meeting – from 9:30 – 12:00 (CET)

Planning 2024



General Assembly (online) : Wednesday 22nd of May 2024, 9:30 – 11:30

Spring Seminar (Brussels) : Tuesday 28th of May 2024, with the dinner on Monday 27th of May 2024

Autumn Seminar (Rosenheim, DE) : Tuesday 12th of November 2024, with the dinner on Monday 11th of November 2024



Thank You!

GEODE Secretariat
info@geode-eu.org

www.geode-eu.org

