



GEODE Board Meeting
08 February 2024(09:30-16:30)
Granada, ES

Participants

- Hans Kreisel, Chairman (Nordion Energi, SE)
- Rudi Rienzner, Deputy Chairman (SEV, IT)
- Ignacio Cuerva Valdivia, Director (Cuerva, ES)
- Unni Farestveit, Director (Å Energi, NO)
- Lawrence Slade (ENA, UK)
- Ramón Gallart, Director (Anell, ES)
- Sebastian Kirchmann, Director (Stadtwerke Schwerte, DE)
- Carmen Gimeno, GEODE Secretary General

Observers

- Toivo Hurme, (Local Power, FI)
- Alberto Sanchez Perez (Cuerva, ES)
- Federica Bruni (GEODE)
- Anna Smicková (GEODE)

Apologies

- Julia Lindholm (Sweden Energy, SE)
- Christian Held, Deputy Chairman (BBH, DE)
- Cinzia Triunfo, Director (Gas Plus, IT)
- Irene Bartol, Director (ASEME, ES)
- Per Everhill, Director (Tekniska Verken, SE)
- Roland Tropper, Director (VÖEW, AT)
- Götz Brühl, Director (Stadtwerke Rosenheim, DE)

Joined Online for the Strategy Discussion on GEODE Priorities 2024:

- Ina Lehto, Director (Finnish Energy, FI)
- Thomas Maderbacher (Wiener Netze, AT)
- Kaspar Thue Andresen, Director (Evida, DK)

Meeting Minutes & Board Decisions

II. Introduction	<p>Summary</p> <ul style="list-style-type: none"> • Hans Kreisel welcomes the participants and introduces the agenda items and informs that the quorum has not been reached today and therefore no decisions can be adopted. • The meeting agenda is approved. • The minutes from the previous Board Meeting on 12 December 2023 are approved. <p>Board preliminary decisions:</p> <ul style="list-style-type: none"> • Given the lack of quorum the decisions will be reached on a preliminary basis and will be reconfirmed via email and/ or ad hoc board meeting.
III. Presentation of Cuerva	<p>Summary</p> <ul style="list-style-type: none"> • Ignacio Cuerva presented the history of Cuerva and the company’s main activities on Renewable energy generation, Distribution, Energy Retailing, Industrial services, building and electric mobility. He also presented some key projects, such as the Gridify project, and ADAION fostering the link between digitalization, Artificial Intelligence and Grid operations. <p>Discussions:</p> <ul style="list-style-type: none"> • Board members showed interest in the R&D activities of Cuerva and were especially keen on discussing how it will develop in the future, especially looking at the income regulation regime of each country. • Ignacio Cuerva underlined that in the case of Spain, the NRA still adopts a more traditional approach towards investments (mostly focused on CAPEX) and make it difficult to approach anticipatory investments and R&D for the grids. <p>Board agreements:</p> <ul style="list-style-type: none"> • The Board decided to tackle the discussion on the importance of R&D and how to finance these investments within the second strategy discussion point.
IV. Administration	<p><u>Questions on the GEODE Report of Activities since last Board Meeting</u></p> <ul style="list-style-type: none"> • Carmen Gimeno updated the Board on the activities the Secretariat worked on since the last Board Meeting (GEODE Working Groups, GEODE Brussels Meet Up, a new initiative to create a network between GEODE members based in Brussels, University of Oslo webinar participation on “distribution grids & anticipatory investments”, Integration of GAS DSOs in the EU DSO Entity), and upcoming activities

	<p>(Spring Seminar, Webinar on Energy Sharing, Webinar on EMD Reform) as well as efforts in preparing GEODE participation in Empower and Enlit.</p> <p><u>Report on Financial Situation as of 31.12.23</u></p> <ul style="list-style-type: none"> • Carmen Gimeno reported on the financial situation for the closing of the year 2023. She outlined that in contrary of what was said during the meeting on December 12th the reserves had to be tapped into for an amount of 10'400 Euros to cover expenses. The latest notice of Stadtwerke Giessen (DE) confirmation of membership resignation for 2023, lowered incomes forecasted, making reserves necessary to balance accounts.
<p>V. GEODE Budget 2024</p>	<p><u>GEODE Budget 2024 proposal:</u></p> <ul style="list-style-type: none"> • Carmen Gimeno presented the draft budget for 2024 on the basis of previous discussion in December 2023. She showcased the Board agreed increase of membership fees by 4%, (invoices for membership fees 2024 have already been circulated) and forecasted increased costs for 2024 for different chapters of the budget. • Again for 2024, expenses are higher than incomes and therefore the proposal of adding reserves for 45 000 Euros in the incomes to balance the Budget 2024. <p><u>Discussion:</u></p> <ul style="list-style-type: none"> • Membership Fees: <ul style="list-style-type: none"> ○ Unni Farestveit asked for clarification on how the fees are calculated to ensure that all members would be able to better defend the payment of the fee to their respective administrations. ○ Carmen Gimeno illustrated that the fees are based on the number of GWh distributed in the previous year by each DSO member for gas, electricity, and heat, which are inputted in a formula (excel sheet) originally developed by GEODE's founding fathers. She underlined that the formula had not been updated in a while due to a Board decision of keeping membership fees stable for years without the need to annually update them. ○ Board Members proposed to look into the formula and model to calculate membership fees in order to assess the fairness of the currently applied fees and promote transparency both at company and association level. In addition, it was proposed that in case the membership formula needs to be reworked a taskforce of 2-3 people should be appointed with this task.

	<ul style="list-style-type: none"> • Expenses: <ul style="list-style-type: none"> ○ Ramón Gallart inquired whether the pricing of the Brussels facilities is in line with the average costs of offices within the area. ○ Hans Kreisel highlighted the benefits of having our team within the BBH-offices which is confirmed by Carmen Gimeno. Most specifically the arrays of extra services that are included in the rent, such as meeting rooms, cleaning services, drinks etc., which would not be included if GEODE had an independent office and would be an additional charge and work for the team to take care. • GEODE Monetary reserve use: <ul style="list-style-type: none"> ○ Hans Kreisel underlined the importance of having a buffer for emergencies (internal reserves), nevertheless the organization should not constantly touch its reserves annually as in year 2023 and 2024. Therefore, he proposed to ensure that the increased costs are also reflected within the membership fees calculation review. • Observer Membership: <ul style="list-style-type: none"> ○ Carmen Gimeno raised the possibility of having a new category of membership - Observer members status for non-European DSOs for a minimum fee. This might provide the organization with additional income. ○ Toivo Hurme inquired where the membership qualifications are defined. ○ Carmen Gimeno informed the Board that membership is defined in our statutes, which in case a new category of members is created, observer membership for non-European Members, have to be modified accordingly and approved by General Assembly in May. <p>Board agreements:</p> <ul style="list-style-type: none"> • The Board decided to first look at the membership fees from a transparency point of view, and then from there evaluate if the model would need to be reviewed by an ad-hoc taskforce. This will be presented to the board at their upcoming meeting of the 22nd of April. • For the Secretariat to come back to the board with information about the minimum amount of reserves needed and a proposal on avoiding use of reserves on a yearly basis to balance budget.
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	<ul style="list-style-type: none"> • For the Secretariat to prepare a proposal for the observer membership status, with a clear definition of their rights and obligations (fees) and legal framework. <p>Board preliminary decisions:</p> <ul style="list-style-type: none"> • Budget for 2024 is preliminary approved by the Board and it will be submitted to the whole Board for confirmation.
<p>VI. Update on EU energy policy developments</p>	<p><u>Presentation by Secretariat</u></p> <ul style="list-style-type: none"> • Federica Bruni updated the Board on the latest policy developments, presenting the adoption and negotiation status of different directives and regulations part of the EC Green Deal. • Specifically, she presented the consolidated text of the Electricity Market Design Reform which is expected to be published in the EC Official Journal in Spring. The presentation also touched upon the recently released European Commission Communication on the 2040 Climate Targets, and the implications for DSOs and what upcoming policy development should also be expected for the new Commission mandate. • Carmen Gimeno took over and debriefed the board on GEODE’s efforts in preparing the integration of Gas DSOs within the EU DSO Entity. She also updates the Board on an upcoming meeting organised by Commissioner Šefčovič “Cabinet as part of the energy transition dialogues” on grids infrastructure, where the first steps towards the setting of a Grid Alliance might be taken. <p>Board agreements:</p> <ul style="list-style-type: none"> • The Board agrees on the importance of flexible connection agreements (art. 6a Electricity Regulation EMD) and proposes to organize a dedicated webinar on this topic to exchange practices across Member States. • The Board agreed for the Secretariat to prepare a guide on how EU legislation affects DSOs.
<p>VII. GEODE Working Groups Updates</p>	<p><u>WG Regulation</u></p> <ul style="list-style-type: none"> • Carmen Gimeno presented the current work of the WG Regulation on a position paper on “DSOs income regulation” and the identified synergies with a Position paper by GEODE Germany on financing and income regulation. She highlighted that the WG will continue to work

	<p>on the role of DSOs in the new Regulatory framework, with an eye on the implementation of the EMD Reform and Action Plan on Grids.</p> <p><u>WG Gas</u></p> <ul style="list-style-type: none"> Federica Bruni presented the topics discussed within WG Gas and the upcoming deliverables. She underlined that the working group will investigate the implementation of the regulatory framework on gas and hydrogen, along with the CCUS Strategy and integration in the EU DSO Entity. <p><u>WG Innovation and Development</u></p> <ul style="list-style-type: none"> Ramon Gallart debriefed the board on the development of the WG Innovation and Development. The WG will continue to focus on the Network Codes on Demand Response, Cybersecurity, etc. The WG will continue to work on Energy Sharing in coordination with the WG Regulation, with the aim of producing a joint fact sheet. A webinar on the topic will take place on 1st March. Anna Smičková presented a proposal for a new GEODE Study Trip to the US, more specifically the Boston Area during Autumn 2024. Currently the Secretariat is collecting preliminary registrations to the trip via the following link to assess interest before moving on with real planning of the visit. <p><u>WG Customer Dialogue</u></p> <ul style="list-style-type: none"> Carmen Gimeno presented the work of the customer dialogue working group. She welcomed the increase in participation within this WG. In terms of upcoming topics, the WG will tackle the Energy consumers of the future, Energy communities, Customers engagement and satisfaction. She also presented the work of the WG in developing a fact sheet on energy communities utilizing a consumer angle. <p><u>WG EU DSO Entity</u></p> <ul style="list-style-type: none"> Carmen Gimeno debriefed on the work the WG on the EU DSO Entity had been doing, mostly preparing Entity Board Members ahead of the meetings and ensuring cohesion in positioning within the Entity. <p><u>Board agreements:</u></p> <ul style="list-style-type: none"> The Board proposed that the WG Regulation prepares a document in view of the delivery of the guidelines on anticipatory investments for Q1 2025, set out by the Action plan on Grids.
<p>VI. GEODE Strategic Discussion (I)</p>	<p><u>Expansion of GEODE's scope to district heating and cooling.</u></p>

	<ul style="list-style-type: none"> • The Strategy Discussion on District heating is postponed as Christian Held leading the initiative cancelled participation at the Board due to illness. • The Board agrees to set up an ad-hoc online board meeting to discuss this strategic point to expand GEODE’s scope to district heating & cooling. The ad-hoc Board meeting will be used to confirm the preliminary decision taken on GEODE Budget 2024. The Secretariat will set up a date for this ad-hoc online Board meeting. • Carmen Gimeno informed the Board of a meeting with Director of Euroheat and Power to better understand how possible work of GEODE on the field could complement each other and identify potential synergies. In terms of membership composition, four GEODE members are present in the association Swedenergy, Finnish Energy, Wiener Netze and Stadtwerke Rosenheim. This approach of complementarity was also welcomed by Toivo Hurme. • The Secretariat shared a chart showing GEODE members and their respective engagement in electricity, gas, and/ or heating activities to support the future discussion.
<p>XI GEODE Strategy Discussion (II) – GEODE Priorities 2024</p>	<p><u>General Introduction by the Secretariat</u></p> <ul style="list-style-type: none"> • Carmen Gimeno presented the general trends for 2024 in terms of Grids priorities to reach the 2030 targets and the extensive legislation that will come into force in the upcoming year. She underlined the importance of speedy investments in the grids to ensure stronger, more digital, cyber proof and resilient grids. • She highlighted the bad reputation of the grids as bottle necks of the energy transition, which we can expect to worsen given the high number of connection requests for renewable projects linked with the energy transition. • She concluded by highlighting 4 essential themes to ensure grids fit for purpose: Adequate Financing, Anticipatory Investments, Faster Permitting and Grid Resilience. With that she opened the discussion for the Board to define its priorities for 2024. <p><u>Discussions:</u></p> <ul style="list-style-type: none"> • Hans Kreisel framed the discussion by putting forward the question of financing grids build out. He defined two main barriers to grids build out, one being regulatory instability and the other a traditional public perspective of grids investments, that does not focus on a modern way

of operating the grids, via investments in digitalization, optimization of procedures, etc. Thus, leading to a lack of incentivization towards grid modernization. He called for a change into the vision of what DSO are, to promote our view in the public eye.

- This was complemented by Unni Farestveit, who agreed on the importance of incentivizing investments towards the utilization of the current grids. She also put forward that the regulation would need to be simplified to foster a speed up in terms of implementation and permitting. This point of view on the importance of speeding up permitting procedures was also welcomed by Lawrence Slade.
- Thomas Maderbacher, also agreed on the importance of including financing as one of the priorities of the organization, given that Grids investments do not response to traditional investment models, and that they directly imply an effect at political level.
- Ina Lehto put forward the question of Public Acceptance, as a priority to be tackled by the organization.
- Carmen Gimeno complemented the Board discussion, by informing the Board that the RED III includes provisions on faster permitting and fostering investments needed to connect renewable generation installations. Nevertheless, this can be tackled upon by the GEODE on a wider scope.
- Hans Kreisel underlined the importance of defining our priorities and looking ahead towards the new commission. This was also echoed by Toivo Hurme, who felt the time to operationalize our work, especially when we see that the EC is moving towards implementation of the EMD and Action Plan on Grids. It would be therefore essential for GEODE to build on our relationships to push forward the grid's agenda.
- Additionally, Unni Farestveit, put forward the importance of Skills and Competences within the transition. She also wondered if the Board should focus on the implementation, presenting best practices, case studies etc. to facilitate the implementation of the EMD and Action Plan on grids. This approach was welcomed by the Board.
- Nevertheless, Kaspar Thue Andersen wanted to complement the discussion by linking the implementation with the priorities in terms of future of Green Transition presented by the recent EC Communications on 2040 climate targets and CCUS strategy.

Board agreements:

	<ul style="list-style-type: none"> For GEODE to shift its focus for 2024 towards implementation of its 2023 priorities and adding a perspective on the Action Plan on Grids and the recently released CCUS Strategy. The priorities would be complemented by a set of concrete actions, to be drafted by the Secretariat.
XIII. GEODE Spring Seminar 2024	<p><u>Preliminary discussion on the topics</u></p> <ul style="list-style-type: none"> Carmen Gimeno presented the draft agenda based on the last board discussions, as well as recommendation from the Customer Dialogue WG who felt it would be important for DSOs to approach the question of the energy consumer of the future. Hence in the proposed agenda a split between a morning session on investment and funding and an afternoon session on consumer was presented. Nevertheless, Christian Held had put forward the idea that an entire day could be focused on grid investments and the question of consumers could be tabled for the time being. <p>Discussion:</p> <ul style="list-style-type: none"> Hans Kreisel also agrees with the proposal to focus the entire day on grids investments and financing, as the topic is quite wide. Lawrence Slade also agreed and suggested that a one-topic would provide an enhanced interest from our members to participate in the entirety of the day. He also proposed to pick up on Action 8 of the Action Plan on grids and put forward best practices on regulatory models with a balance approach to CAPEX and OPEX. Hans Kreisel proposed to have someone from both the EC and ACER, in order to investigate the advancement/ implementation of the Action Plan on Grids. <p>Board agreements:</p> <ul style="list-style-type: none"> For the Spring Seminar to focus on the topic of investments on the grids, specifically on how to foster a positive investment climate and underlying concrete needs for the DSOs. Board members were asked to contact their national NRA to mobilize them for the event.
IX. Miscellaneous	<ul style="list-style-type: none"> Carmen Gimeno proposed the idea of having a physical meeting in the afternoon of the 27th, the day before the Spring Seminar in Brussels. <p>Discussion:</p>

	<ul style="list-style-type: none"> The idea was welcomed by the Board, however the date of the meeting posed organizational problems in terms of traveling schedule for several board members. <p>Board agreement:</p> <ul style="list-style-type: none"> The Board decided to continue with the previously agreed schedule for the Board meetings and not to have a physical meeting at the margin of the Spring Seminar. Hans Kreisel thanked Ignacio Cuerva and its team for hosting the physical Board meeting and making the board members feel very welcome.
<p>X. Next meeting</p>	<ul style="list-style-type: none"> An ad-hoc online board meeting will take place to discuss the expansion of GEODE's scope to district heating & cooling as well as to confirm the preliminary decision taken on GEODE Budget 2024. The Secretariat will circulate the date. A Board Meeting will take place on the 22 April 2024 (online) as already scheduled.