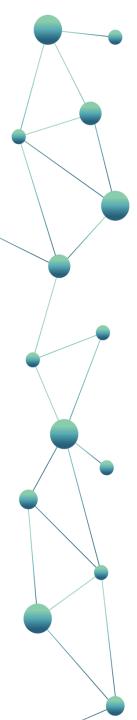




# Current challenges in the implementation of unbundling rules from a DSO perspective



### Adapting branding and communication of DSO

- Experience shows that the DSO is not always immediately recognised by customers
- The case law in Germany allows to refer to the parent company, which is perceived as increasing transparency
- In Europe, the landscape is very heterogeneous from a few DSO to almost 1000 DSO in one Member State
- Different branding requirements for DSOs and de minimis companies result in a lack of transparency
- In communication, the difference between DSO and VIU should therefore be clearly visible for all companies independently of whether they are de minimis







### **Shared Services are necessary for an efficient DSO**

- Shared services offer the possibility to utilise resources better and thus to increase efficiency of DSO
- Most shared services do not lead to disruption in upstream or downstream markets:
  - E.g. IT, accounting, network-related activities
- The **independence of the DSO** is assured if the VIU does only provide services on a non-discriminatory basis
- Cross-subsidisation must be ruled out

Non-discriminatory shared services increase efficiency and should be promoted





## Compliance officers and programmes are essential



- The compliance programme is monitored by the NRA
- The annual report provides transparency about any changes and measures taken.
- The priorities are updated annually, e.g.:
  - Smart meter roll-out
  - System separation for data
  - Auditing of processes susceptible to discrimination for unbundling conformity
- If the NRA indicates that staff training needs to be improved:
  - Classroom and web-based trainings
  - Communication behaviour (employee appearance to customers, internet)
  - Protection of sensitive data against unauthorised access

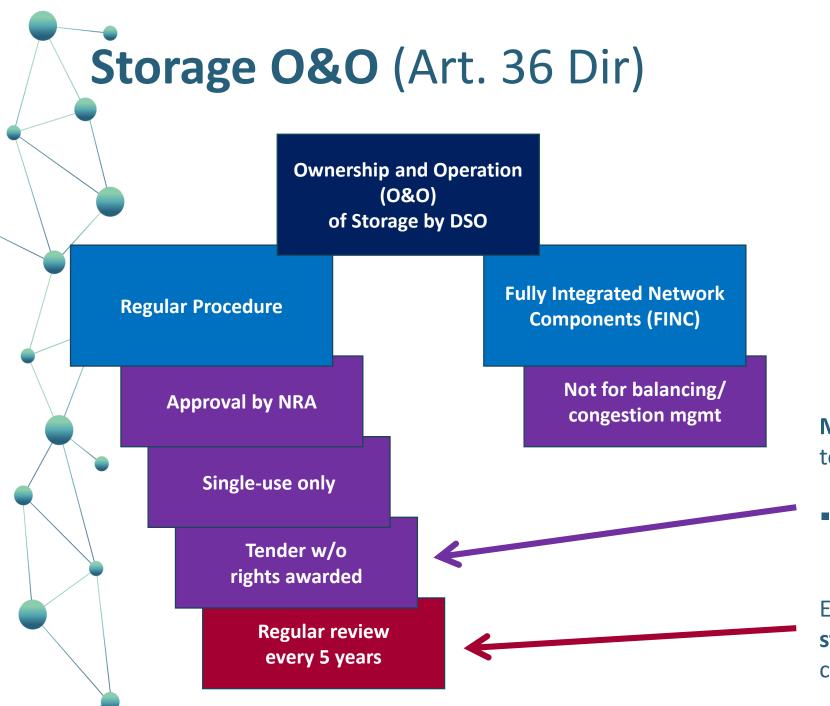




- Member States may allow DSO to perform activities:
  - Other than those mentioned in Dir/Reg.
  - Necessary to fulfil obligations in Dir/Reg.
  - NRA has assessed the necessity.
  - Ownership & operation (O&O) of **non-electricity networks** allowed.
- Similar provision for **TSO** in Art 40 (8) Dir.

Considerable improvement over previous drafts.

Obstacles should be more formal than real to enable new role of DSO.





**Major improvement** from "no bids" to "no rights awarded":

 O&O of storage possible in close co-operation with NRA.

**Exemption for investment in battery storage** for reactive purposes and connected **within 2 years of Directive**.

#### **EV Infrastructure O&O** (Art. 33 Dir)



Ownership and Operation (O&O) of EV Infrastructure by DSO

**Regular Procedure** 

**Approval by NRA** 

3<sup>rd</sup> party access

Tender w/o rights awarded

Regular review every 5 years

Member States to **facilitate the connection** of public and private charging points to DSO.

O&O of **private recharging points** solely for use of DSO possible.

**Major improvement** from "no bids" to "no rights awarded":

 O&O of storage possible in close co-operation with NRA.





- Open to all members, but decisions by actors where energy is not primary economic activity.
- **Energy sharing** over public network:
  - However without consequence for network tariffs, taxes and levies.
- No direct physical proximity necessary with cross-border participation a possibility.
- Entitled to own, establish purchase or lease a distribution network.
- Subject to all existing rules.



If Citizen Energy Communities are subject to all existing rules, what is the purpose of energy sharing?





- Member States to incentivise DSO to procure flexibility esp. for congestion management to supplant capacity:
- Market-based procurement unless NRA have established non-efficiency.
- DSO (exception for de minimis) **10-year network development plan** every two years to include flexibility services with consultation and submittal to NRA.

• For de minimis DSO not legally unbundled, measures to ensure that the supply activity does not have privileged access to data.





#### Unbundling is an essential component of a liberalised market framework

Mostly thorough implementation of 3<sup>rd</sup> Liberalisation Package

Clean Energy Package provides further clarifications

**Role of EU DSO Entity?**