



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



innogy

Logo VIU

WESTNETZ

Teil von innogy



Logo DSO

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

Activities of DSO (Art. 31 (10) Dir)

- **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.**

Storage O&O (Art. 36 Dir)

Ownership and Operation
(O&O)
of Storage by DSO

Regular Procedure

Fully Integrated Network
Components (FINC)

Approval by NRA

Not for balancing/
congestion mgmt

Single-use only

Tender w/o
rights awarded

Regular review
every 5 years

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

3rd 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.

Citizen Energy Communities (Art. 16 Dir)

- 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.**



No positive
discrimination



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



Flexibility for and Data Management by DSO

- 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 3rd
Liberalisation Package**

**Clean Energy Package
provides further
clarifications**

Role of EU DSO Entity?