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CEER workshop on DSOs Panel Discussion Economic signals for DSOs and customers

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Fostering energy markets,
empowering **consumers**.

Session Plan

- Key findings from Break Out Session II
- Panel presentations with viewpoints from four different market roles:
 - ▶ Consumers (Conrad, Citizens Advice)
 - ▶ Smart Appliances (Marco Signa, CECED)
 - ▶ Demand Response Operator (Pierre Bivas, Cathode)
 - ▶ DSO (Jan Pedersen, GEODE)
- Interactive discussion with panel and you





Report from Break Out Session II



Scope of Economic Signals

Smart Regulation

Demand Response

DSO Tariffs

**Contractual
Arrangements**



Economic Signals for DSOs and Customers

- Smart Regulation

- ▶ Broad agreement on regulatory incentives and need to stimulate innovation
 - *'We come from long term solutions only and now try to implement more short term solutions'*
- ▶ Recognition that capex bias may hinder smart grid development
- ▶ Support for output based regulation but different views on practicality and value of establishing some inputs
- ▶ Gas regulation: *'For gas the practical reality is different, but the principles seem to be the same'*



Economic Signals for DSOs and Customers

- DSO Tariffs

- ▶ Time of Use Tariffs suitable for managing local network constraints
- ▶ ToU seems to be correlated with System Prices. Discussion regarding role of NRAs *'we need to test here'*
- ▶ *'We need ToU tariffs less and less, because PV en EV result in shifting peak periods already. Load shedding is needed locally.'*



Economic Signals for DSOs and Customers

- Contractual Arrangements

- ▶ DSOs generally consider ‘contract table’ in chapter 3 as *too restrictive*
 - *‘We try to save money for the consumer by saving on connection costs’*
 - *‘If you want a DSO to be efficient you cannot expect him not to have contacts with customers’*
- ▶ Demand Response is considered by DSOs as a core activity
 - Load Control
 - Security
 - Energy Efficiency
 - *“We see a typical procurement role for the DSO for flex services”*
- ▶ ‘Suppliers and Industry consider Demand Response as a competitive market and supplier should be Single Point of Contact
- ▶ Consumer organisation(s) state(s) that contracts must be transparent & non discriminating



Economic Signals for DSOs and Customers

- Demand Response Key Issues
 - ▶ How should DSOs offer flexibility to the market?
 - Directly to customers, including consumers
 - Only to suppliers and aggregators who will pass through to consumers
 - *'DSO are a buyers and much less a seller of flexibility'*
 - ▶ Is Demand Response a new commercial contract or just an addition to existing connection agreement? *'Customer has to be able to buy themselves from who they want'*

Key Question: How do we make Demand Response a benefit for all customers?



Questions for discussion

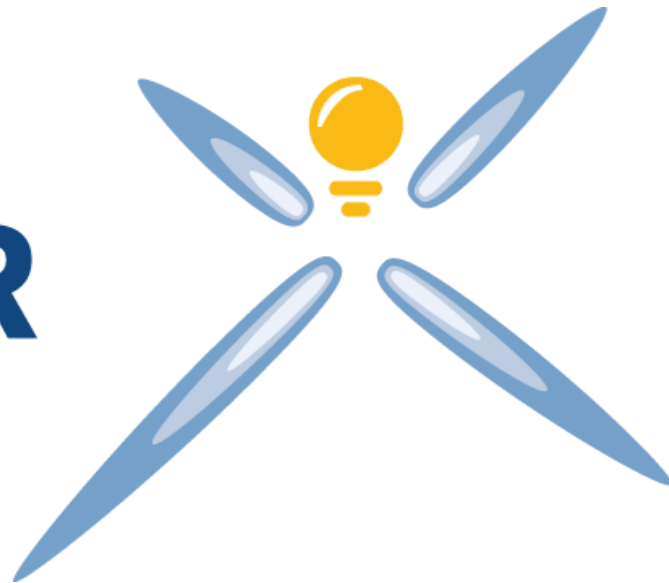
- What should be changed in the report?
 - ▶ What goes wrong if it will not be changed?
 - ▶ What happens for good if it will be changed?
- What is your most important argument for requesting the change?
- Are you familiar with any conflicting arguments and how should we take them into account?



Thank you for your attention!

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