



GEODE COMMENTS ON ERGEG PUBLIC CONSULTATION ON TREATMENT OF LOSSES BY NETWORK OPERATORS

GEODE would like to contribute to ERGEG Public Consultation launched last 15th July 2008 on treatment of losses by network operators. GEODE answers ERGEG questions from a distributor's perspective as follows:

1.- What is considered and acceptable definition of losses?

The difference between the electricity entered into the grid connection point and the electricity metered at the end-user meter point.

2.- Should power losses refer only to technical losses or it is acceptable to include also non-technical losses?

Metering systems in most European countries are not prepared to discriminate between the different kinds of network losses. Probably future smart meters could be ready to separate technical losses from non-technical ones.

Concerning thefts (non-technical losses), they are very difficult to calculate and normally they are just estimated. Its calculation could be more expensive than the theft itself.

3.- Which are the key components for defining losses?

The design of the power grid, the voltage and transformation levels and the length of the power lines are key components for defining losses.

4.- What ways exist to improve the evaluation of losses in distribution networks?

Possible technical ways to improve the evaluation of losses in distribution networks are to increase distribution networks voltage level and to increase power lines section to minimise power intensity. Another way could be the introduction in the future of better conductor materials.

5.- What should be a reasonable and acceptable level of power losses at the distribution level and the transmission level?

Each company has its own level of losses proportionally to its different network structures.

6.- Which types of losses could be most easily reduced?

The losses most easily to reduce are those related to the bad use of energy by the customer and those due to the repowering of transmission networks.



In general if there were more facilities to build new infrastructure avoiding lines being overload and if distance of transmission and distribution networks were reduced, network losses could be most easily reduced. Distributed generation could also contribute to it.

7.- Should the costs of losses be covered by a special tariff?

The reduction of network losses should be an incentive for the company. If losses are paid, there will not be any interest for improvements.

8.- What are the advantages and disadvantages of the mentioned incentive mechanisms?

The network company should have an incentive when adopting investment decisions addressed to reduced losses.

9.- Are there advantages in setting separate mechanisms for technical and non-technical losses?

In case it could be possible to meter properly the different times of losses, which is not easy, the company could establish clear and different improvement targets.

12.- Are there advantages in setting separate mechanisms for transmission and distribution losses?

Theft should not exist in transmission and currently it is possible to meter at “transmission/distribution border-points” the amount of transmission losses and by difference the distribution losses.

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