

CEER

**Council of European
Energy Regulators**



Fostering energy markets, empowering **consumers**.

The Future Role of DSOs

A CEER Public Consultation Paper

Questionnaire

**Ref: C14-DSO-09-03a
16 December 2014**



List of questions for consultation

Chapter 1:

1. Do you agree with these three core principles?
Principle 1: The DSO must run its business in a way which reflects the reasonable expectations of network users and other stakeholders
Principle 2: The DSO must act as a neutral market facilitator in undertaking its core functions
Principle 3: The DSO must act in the public interest, taking account of costs and benefits
2. What challenges would new forms of stakeholders (e.g. community or municipal energy schemes and ESCOs) bring to DSOs and to existing approaches?
3. Do you agree with the proposed logical framework? Are there other important questions which should be included in the framework?
4. Do you agree with the proposed assessment of activities and are there any additional grey areas for DSOs other than those considered?
5. For activities falling in category II and III (see Figure 1), under which regulatory conditions could DSO intervention be allowed?

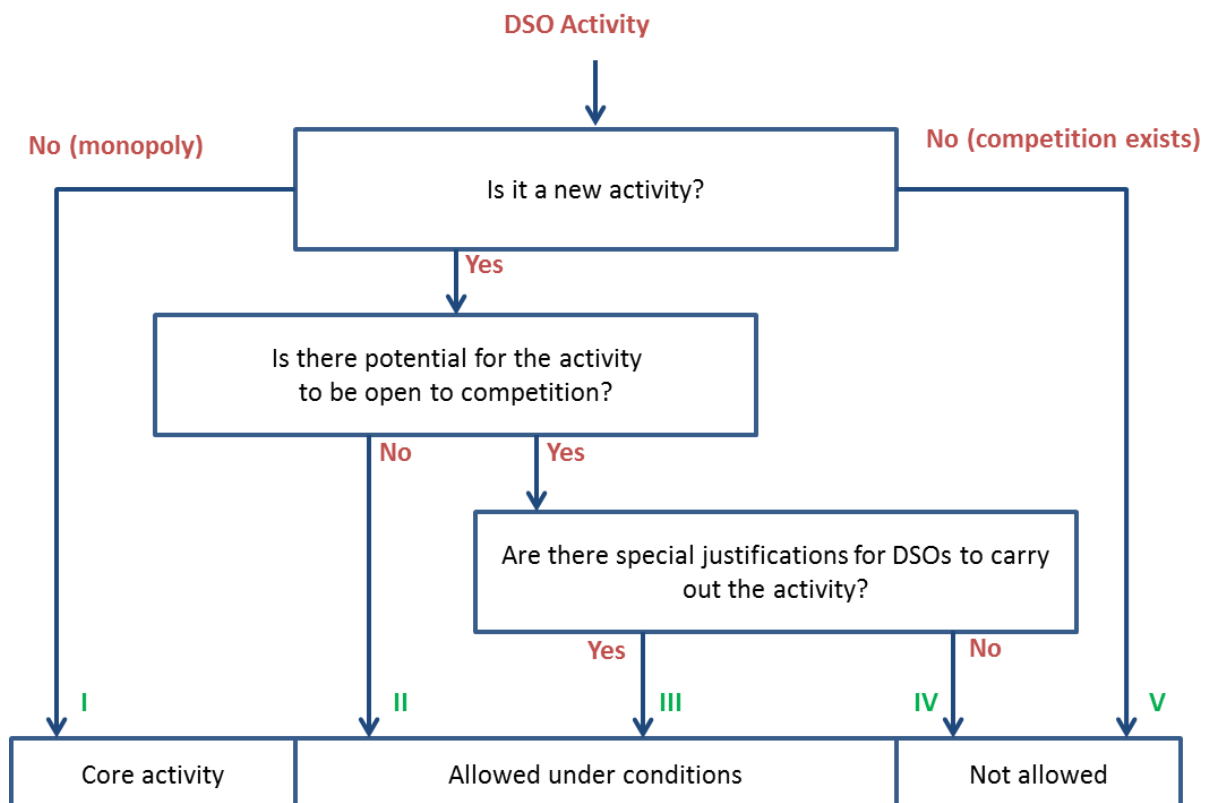




Figure 1 - Logical Framework for DSO Activities

6. Do you agree with the assessment of DSO access to data and data management?
7. Do you agree that the risk of DSOs participating in some of the 'grey areas' (particularly flexibility and DSR) decreases the more separated a DSO's operational activities are from other competitive activities carried out by other companies within the same vertically integrated group?
8. Do you agree with first considerations on the de-minimis threshold?

Chapter 2:

9. Do you consider all the activities and topics described in this Chapter relevant to further defining a regulatory framework for DSO-TSO relationship and responsibilities? Are any activities or topics missing in the DSO-TSO relationship discussion?
10. Do you agree with the description of the activities and topics in this Chapter? If not, what is your view on your specific activity or topic that is relevant for the DSO-TSO relationship?
11. Do you agree with the statement that further regulatory guidelines may be required (in addition to current Network Codes) and if so, which regulatory guidelines do you consider necessary?

Chapter 3:

12. What, if any, are the particular or incremental risks attached to innovative and non-conventional investments? Do these warrant special recognition by NRAs? To which extent, if any, is this incremental risk borne by DSOs?
13. Does the conventional focus on rate of return regulation on capital expenditure, and in some cases limited pass through of OPEX, have the effect of discouraging certain smart grid investments? What alternative approaches help incentivise DSOs to adopt smart grids?
14. CEER would welcome views from stakeholders on the pros and cons of output based incentives. Please also define for which regulatory incentives they might be appropriate.
15. Do you agree that to allow timely recover of DSO revenues, assumptions on consumption patterns in tariff models could be updated within price control periods?
16. How can Time-of-Use network tariffs be coordinated with system energy prices?
17. Are there circumstances under which suppliers should be required to pass through the distribution tariff signal to customers? - If so, should there be regulation to ensure this happens?



18. Do you agree with the above assessment (in Table 2) of different cases when DSOs or other parties should have contracts or agreements with consumers and distributed generators?

	1. Connection Agreement DSO-Customer			2. Additional and commercial DSR contract DSO-Customer			3. Additional and commercial DSR contract with customer via aggregator	4. Additional and commercial DSR contract with customer via supplier
	Domestic Customer	Commercial and Industrial Customer	Distributed Generation Customer	Domestic Customer	Commercial and Industrial Customer	Distributed Generation Customer		
<i>a. Static Time of Use</i>	I	I or II	I	III* or IV	III	III	III	III
<i>b. Dynamic pricing</i>	III	I or II	III	III* or IV	III	III	III	III
<i>c. Fixed load capping</i>	III or IV	I or II	III	III* or IV	III* or IV	III	III	III
<i>d. Dynamic load capping</i>	III or IV	I or II	III	III* or IV	III* or IV	III	III	III
<i>e. Direct load control</i>	III or IV	I or II	III	III* or IV	III* or IV	III	III	III

* Only in Member States where DSOs do not carry out data management activities.

Table 1 Regulatory views on possible contractual arrangements, according to the activity categories in Chapter 1

19. Which type of regulatory controls should be adopted by NRAs for DSOs, in cases of contractual arrangements falling under categories II and III?