

Functional Unbundling of Distribution System Operators – EVN Elektrodistribucija

Implementation Experience

Compliance Program - Implementation & Reports

Vienna, 20th of November 2018

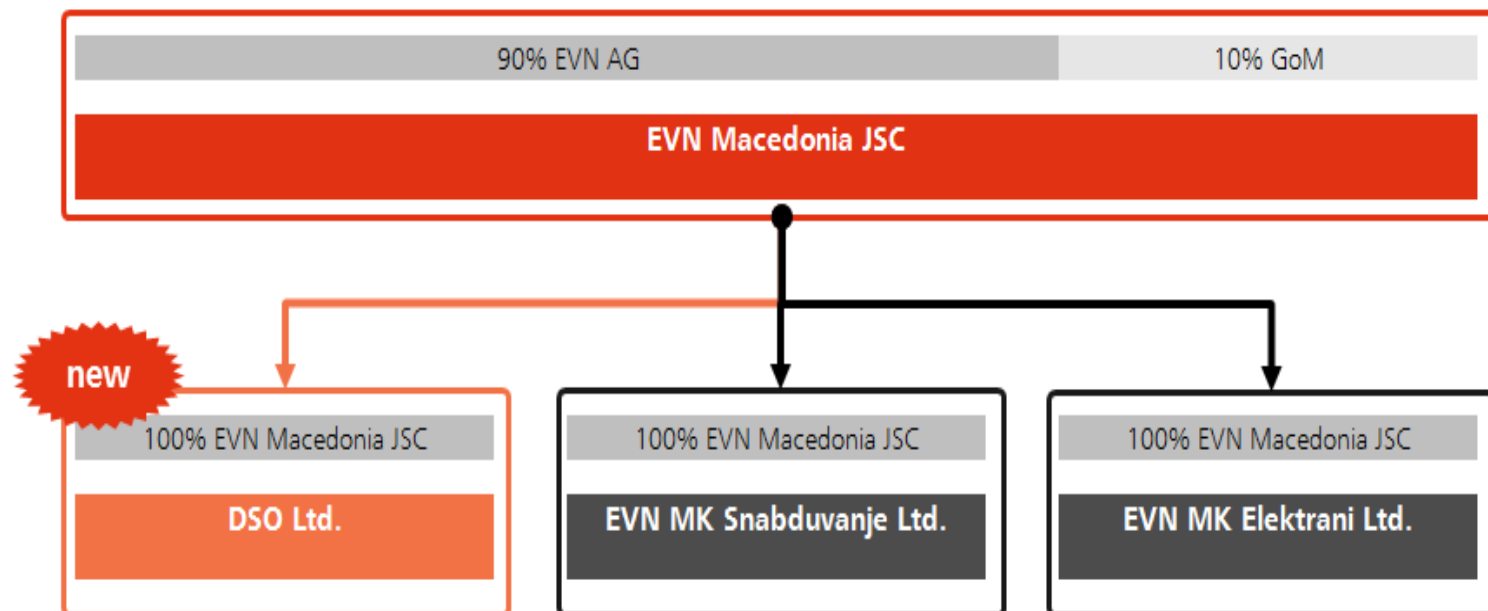
- DSO Unbundling project initiated in 2016:
 - Development of optimal organizational structure;
 - Implementation of the unbundling including performing necessary corporate activities in accordance with National Regulatory Framework;

- Unbundled DSO in operation from 01.01.2017
 - Limited liability company established on 25.08.2016 – registered single activity in accordance with NACE 2: 35.13 Distribution of electricity;
 - Licensed for electricity distribution EE-06.03.1/05,2/16 issued by the Energy Regulatory Commission – no possession of other licenses;

Unbundling of DSO

Ownership Structure

→ Corporate Ownership Structure



Unbundling of DSO

Corporate Bodies & Activities

→ Corporate bodies of the DSO

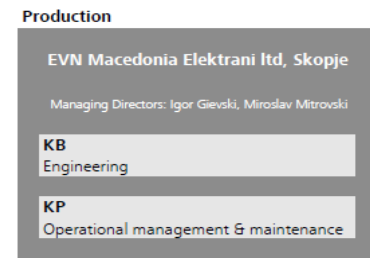
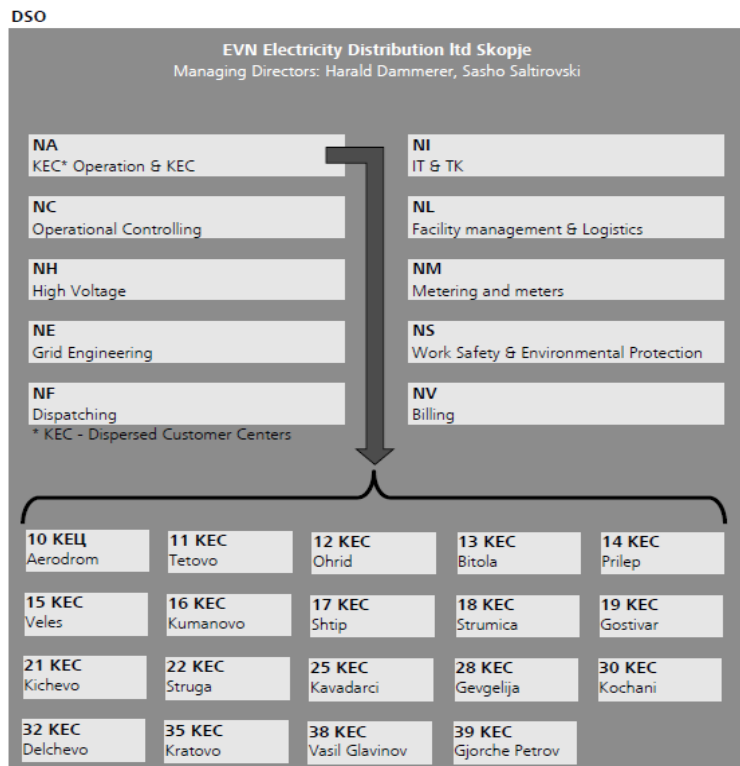
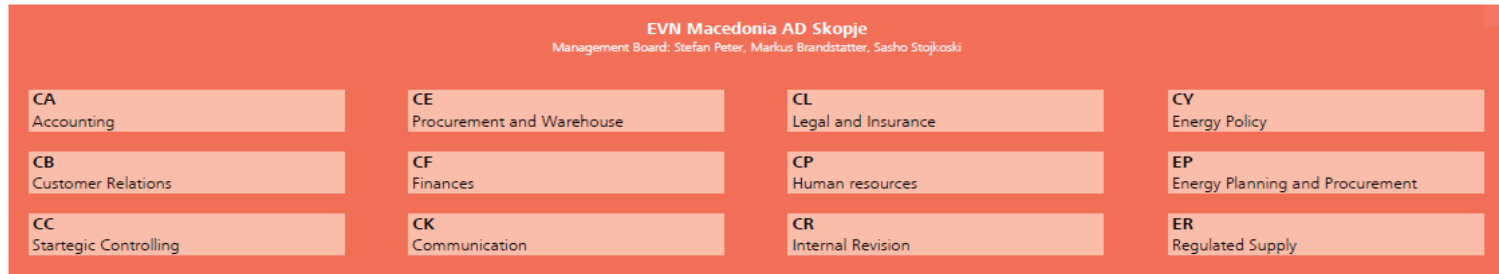
- Limited liability company represented and governed by two independent Managing Directors;
- Advisory Committee established by the VIU acting as supervisory body of the DSO;

→ Organisational structure of the DSO

- 10 central technical departments and 19 Customer Centers;
- Corporate and administrative activities are performed by the VIU under Service Lease Agreements (SLA);

Unbundling of DSO

Organizational Structure



→ Approval and adoption - Initial*:

- Submitted for approval and approved by ERC in February 2017 with Decision No. 02-603/1;
- Adopted by Management of EVN Elektro distribucija in March 2017 with Decision No. 02-1349/2/2;

→ Appointment of Compliance Officer;

- In Accordance with the Program, and its Statute of the DSO Compliance Responsible Person is appointed – Decision No. 02-1349/2/2;

* Inline with Article 78 of the Energy Law (Official Gazette 96/18) the Compliance Program has been updated and submitted for approval to ERC on 14th of November 2018;

- Professional independence of Electricity Distribution System Operator management from other parts of the VIU;
- Equal and transparent access for all of the participants on the electricity market to the services of the Electricity Distribution System Operator;
- Prevention of discriminatory behavior, objectivity and transparency in performance of the public service distribution of electricity;

- In compliance with the Law, the DSO is obligated to ensure that:
 - *The persons that are responsible for managing and leadership of DSO not to participate in the managing and leadership structures in the holders of the licenses generation, transition, trading and supply of electricity.*
 - *The persons that are responsible for the management and leadership of DSO are not part of the managing structures of the holders of the licenses for generation, transition, trading and supply of electricity.*
 - *The persons responsible for managing of DSO to have independency in their work and decisions.*
 - *Making the decisions regarding the funds that are necessary for functioning, maintenance and development of the system to be independent;*

- Discrimination of market participants;
 - *Different treatment or use of unequal conditions while performing same internal working processes and organization of the company is considered as discrimination;*
 - *Not one participant has a privileged position compared to another participant;*

- DSO has to enable equal treatment of all market participants while performing:
 - Planning, investing, managing and grid maintenance;
 - Connecting to the distribution system, disconnection of customers; limitation of overly consumed power, elimination of defects;
 - Change of supplier, metering and meter data management, calculation / invoicing, connections to customers;

- Equal treatment in providing access and connection to the distribution grid;
 - Connection and/or disconnection of the customers of the distribution system is done according to the laws and bylaws which are in place;
 - The decisions by DSO should be clear, precise and reasoned in detail;
 - Denial of access or connection to the distribution system should be adequately clarified by explaining the reasons for rejection;
 - DSO will ensure priority in the access to the connection of the generators of electricity by renewable energy sources;

- The right of appeal upon a decisions by DSO to the ERC by initiating an appeal procedure, is guaranteed;

- Internal training of DSO employees;
 - During 2017 training has been performed to all DSO Staff;
 - The Program & presentation materials are available and published on the internal DSO web page – internal use only;
 - Training in form of Video Presentation is planned for 2019;

- External Communication
 - The Program is published and available on the DSO web-site;
<https://elektrodistribucija.mk/About-us/Compliance-program.aspx>
 - Compliance issues can be communicated via: DSOcompliance@evn.mk;

- Compliance Report
 - Compliance report 2017 is in final stage of preparation and shall be send for approval to ERC;

Thank you for your attention

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