



***3rd Energy Package
focus on gas DSO in the EnC
Contracting Parties***

2nd meeting ECDSO-g Coordination Platform

Vienna, 17-18 October 2016

Introduction

- 1. Unbundling***
- 2. Tariffs***
- 3. Role of DSO in a competitive market***
- 4. Investment needs in the new environment***

Introduction

The Energy Community Gas acquis

Directive 2009/73/EC – main elements

- Unbundling – TSO, ISO, ITO models; certification
- LNGSO, SSO and DSO unbundling as in 2nd package
- Role, tasks, responsibilities, independence, power of Regulatory authority
- Customers protection (*vulnerable* customers)
- Regional cooperation
- As adapted by the Ministerial Council – role and tasks of the Secretariat (PSO, certification, exemptions for new infrastructure)

Directive 2004/67/EC – main elements

- Policies for securing supply
- Monitoring
- Reporting
- Emergency Measures
- Security of supply for specific (*protected*) customers / Supply standards

Regulation (EC) 715/2009 – main elements

Third party access to infrastructure, entry exit transmission tariffs

Capacity allocation & Congestion management & Balancing

Transparency, trading of capacity rights

Regional cooperation

Network Codes (ENTSOG-ACER-EC) on EU level / for the Energy Community if approved by Permanent High Level Group

DSO practices

Bundled – Unbundled?

Company, accounts

Compliance program, officer?

Services

Distribution/supply? Balancing?

Contracts with customers

Relationship with TSO

Distribution Tariffs

Approved by the Regulator?

Visible/separated at the bill?

System

Operation, measurement equipment,
maintenance, connections, development,
investment

Unbundling

Directive 2009/73/EC – DSOs in focus



Chapter V Distribution and supply

Designation of distribution system operators – legal and functional unbundling from other activities not related to distribution (possible exception when having less than 100.000 customers)

When daughter company in vertically integrated undertaking, independent decision-making shall be ensured; compliance program and compliance officer to be in place

DSO tasks: operating, maintaining and developing the reliable and secure system under economic conditions; providing information to other SOs and to system users (with respecting confidentiality); non-discrimination between system users or classes of system users; optional responsibility for balancing

Possibility of closed systems

Possibilities of combined operators

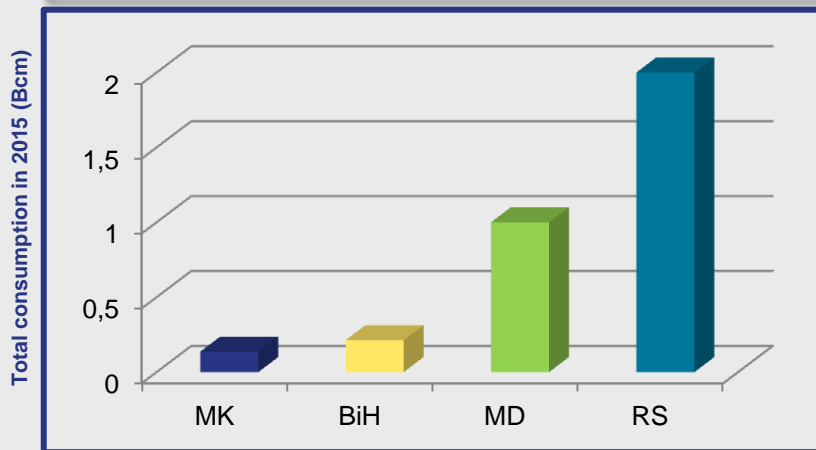
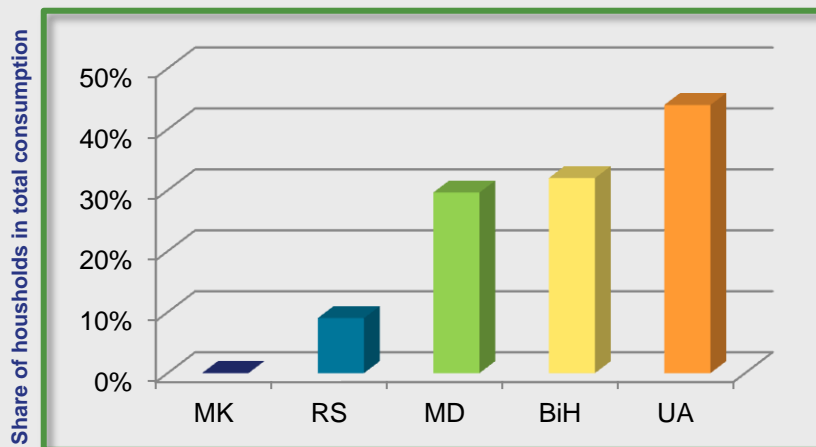
Chapter VI Unbundling and transparency of accounts

Competent authority with right to access to accounts

Separated accounts for each of activities, and for supplies to eligible and non-eligible customers (by 1.1.2015)

Obligatory audits, publishing of annual accounts

Gas sectors / DSOs in focus



34 Bcm



UA

Number of DSOs

| | |
|-----|----|
| MK | 3 |
| BiH | 4 |
| MD | 22 |
| RS | 32 |
| UA | 44 |

Tariffs

Directive 2009/73/EC – DSOs in focus



Chapter VII Organisation of access to the system

Third party access to distribution system based on published tariffs

Tariffs or tariff methodologies approved by regulatory authority and published – prior entering into the force

Refusal of access – only due to lack of capacity; notification to the regulatory authority

Possibility for direct pipelines (by supplier and by customer)

Chapter VIII National Regulatory Authorities (rights)

To ensure compliance of DSO with its obligations under this Directive and other relevant EnC acquis

To monitor transparency, implementation of rules for access to the distribution system

To fix or approve at least tariff methodologies for access to distribution system

Role of DSO in a competitive market

Directive 2009/73/EC – DSOs in focus

Chapter IX Retail Markets

Roles and responsibilities of DSOs, supply undertakings and customers shall be defined with respect to contractual arrangements, commitment to customers, data exchange and settlement rules, data ownership and metering responsibility

Rules shall be public, designated to facilitate access to networks and shall be reviewed by the regulatory authorities

Annex I Measures on Consumer Protection

Customers have right to a contract which specifies services, service quality, type of maintenance, applicable tariffs and charges, duration of contract, conditions for renewal and termination of services, compensations, dispute settlements, information of customers rights

Conditions and their changes to be known in advance, wide choice of payment methods, free changes of suppliers

Disposal of own consumption data

Economic assessment - introduction of intelligent metering systems – by 1 January 2014

Chapter VIII National Regulatory Authorities (rights)

To ensure compliance of DSO with its obligations under this Directive and other relevant EnC acquis

To monitor transparency, market opening and functioning, contractual practices, time needed for repairs by DSO

To deal with complains against DSO

***Investment needs in the new
environment***

Directive 2009/73/EC – DSOs in focus



Chapter VII Organisation of access to the system

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Refusal of access – only due to lack of capacity; notification to the regulatory authority

Chapter VIII National Regulatory Authorities (rights)

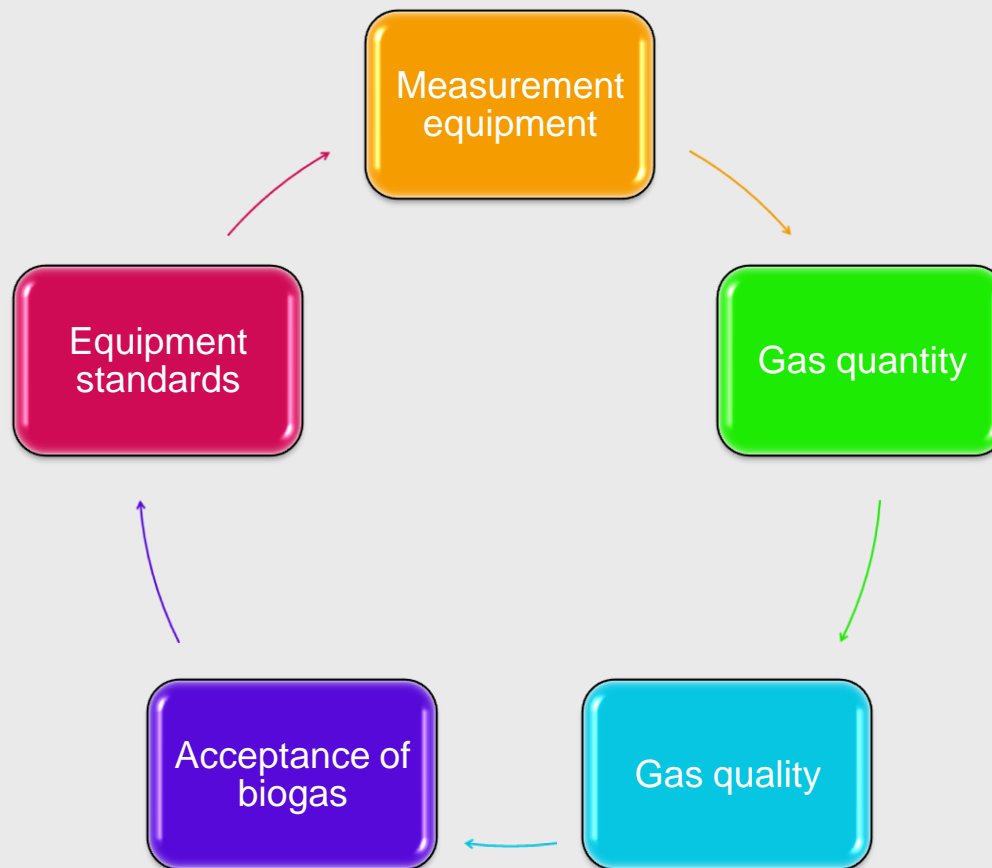
To ensure compliance of DSO with its obligations under this Directive and other relevant EnC acquis

To monitor time needed for repairs by DSO

Annex I Measures on Consumer Protection

Economic assessment - introduction of intelligent metering systems – by 1 January 2014

Investment needs in the new environment



Directive 2009/73/EC

Preamble (41)

Member States should ensure that, taking into account the necessary quality requirements, biogas and gas from biomass or other types of gas are granted non-discriminatory access to the gas system, provided such access is permanently compatible with the relevant technical rules and safety standards. Those rules and standards should ensure that those gases can technically and safely be injected into, and transported through the natural gas system and should also address their chemical characteristics.

Article 1

2. The rules established by this Directive for natural gas, including LNG, shall also apply in a non-discriminatory way to biogas and gas from biomass or other types of gas in so far as such gases can technically and safely be injected into, and transported through, the natural gas system.

Directive 2009/28/EC

Article 16

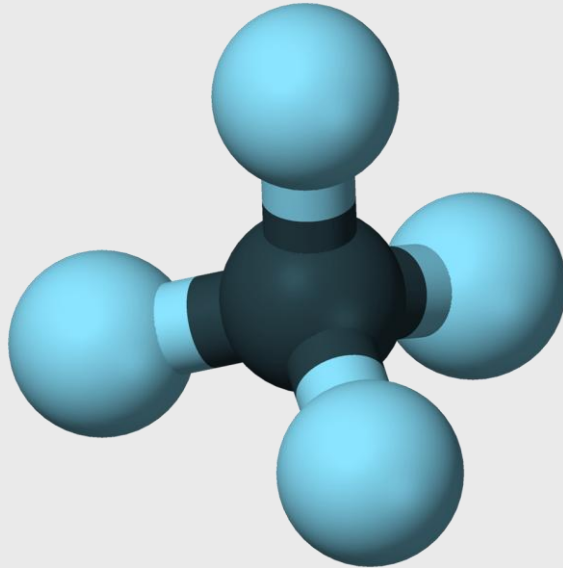
9. Where relevant, Member States shall assess the need to extend existing gas network infrastructure to facilitate the integration of gas from renewable energy sources.

10. Where relevant, Member States shall require transmission system operators and distribution system operators in their territory to publish technical rules in line with Article 6 of Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning the common rules for the internal market in natural gas ⁽¹⁾, in particular regarding network connection rules that include gas quality, gas odoration and gas pressure requirements. Member States shall also require transmission and distribution system operators to publish the connection tariffs to connect renewable gas sources based on transparent and non-discriminatory criteria.

RES in gas network / Acceptance of biogas

Natural gas:

Mainly CH_4 , but other higher alkanes (C_xH_y), CO_2 , N_2 , H_2S ...can be present
Different composition in the Netherlands (80-85% CH_4),
Russia (98% CH_4), Qatar (90% CH_4)....



Non obligatory legislation:

- EN ISO 13443 „Natural gas – standard reference conditions“
- EN 16726:2015 „Gas infrastrucutre – Quality of gas“
- EASEE GAS CBP 2005-001/01 „Harmonisation of Gas Qualites“

Biogas:

50-70% CH_4 + 30-50% CO_2

The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that represent energy or data connections, crisscrossing the globe.

*Thank you
for your attention!*

Karolina Čegir, Gas expert

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