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

1st meeting ECDSO-g Coordination Platform

Prague, 23 June 2016
Gas Market Entities

Transmission system operator
Storage system operator
Distribution system operator
LNG system operator

Supplier (wholesale, retail)
Supplier of last resort
Customer

Producer
Vulnerable customer
Protected customer
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Natural gas undertakings „distribution undertakings“</td>
<td>Natural gas undertakings „distribution system operator“</td>
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<tr>
<td>Unbundling of accounts (including for distribution undertakings) Distribution undertaking: must not discriminate between system users Distribution undertaking has right to contract supply for their customers</td>
<td>Legal and functional unbundling (including for DSO) Possible exception from unbundling for distribution undertakings with less than 100,000 connected customers</td>
<td>TSO: ownership unbundling + ITO &amp; ISO with demanding conditions For DSO: legal and functional unbundling, with possible exception from unbundling for distribution undertakings with less than 100,000 connected customers</td>
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<tr>
<td>Negotiated or regulated access to all infrastructure</td>
<td>Regulated access to transmission, distribution, LNG; possibly negotiated to UGS</td>
<td>Regulated access to transmission, distribution, LNG; still possibly negotiated to UGS</td>
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<td>Responsible authority</td>
<td>Independent Regulatory authority</td>
<td>Strong independent Regulatory authority</td>
<td></td>
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<tr>
<td>Big customers = eligible customers (electricity production, &gt;25 mcm/y)</td>
<td>All non-households eligible by 1 July 2004 Households by 1 July 2007</td>
<td>All customers eligible (as per 2nd Package)</td>
<td></td>
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<tr>
<td>Exemptions for new infrastructure (transmission, LNG)</td>
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The Energy Community – gas acquis

**Third Energy Package – from 1 January 2015**
- Directive 2009/73/EC
- Regulation (EC) 715/2009
- All customers *eligible* (free to choose supplier) from 1 January 2015

**Security of supply**
## The Energy Community – gas acquis

### Directive 2009/73/EC – main elements
- Unbundling – TSO, ISO, ITO models; certification
- LNGSO, SSO and DSO unbundling as in 2\textsuperscript{nd} 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)

- 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
**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
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 (to supplier and to 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, market opening and functioning, contractual practices, time needed for repairs by DSO; implementation of rules for access to the distribution system

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

To deal with complains against DSO
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.

Those 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.

Questions?
Thank you for your attention!

Karolina Čegir, Gas expert

www.energy-community.org
**DSO practices**

**Bundled – Unbundled?**
- Company, accounts
- Compliance program, officer?

**Services**
- Distribution? Balancing?
- Agreements with customers

**Distribution Tariffs**
- Approved by the Regulator? Visible at the bill?

**System**
- Operation, measurement equipment, development
Format

Topics

Meetings