

**CEER**

**Council of European  
Energy Regulators**

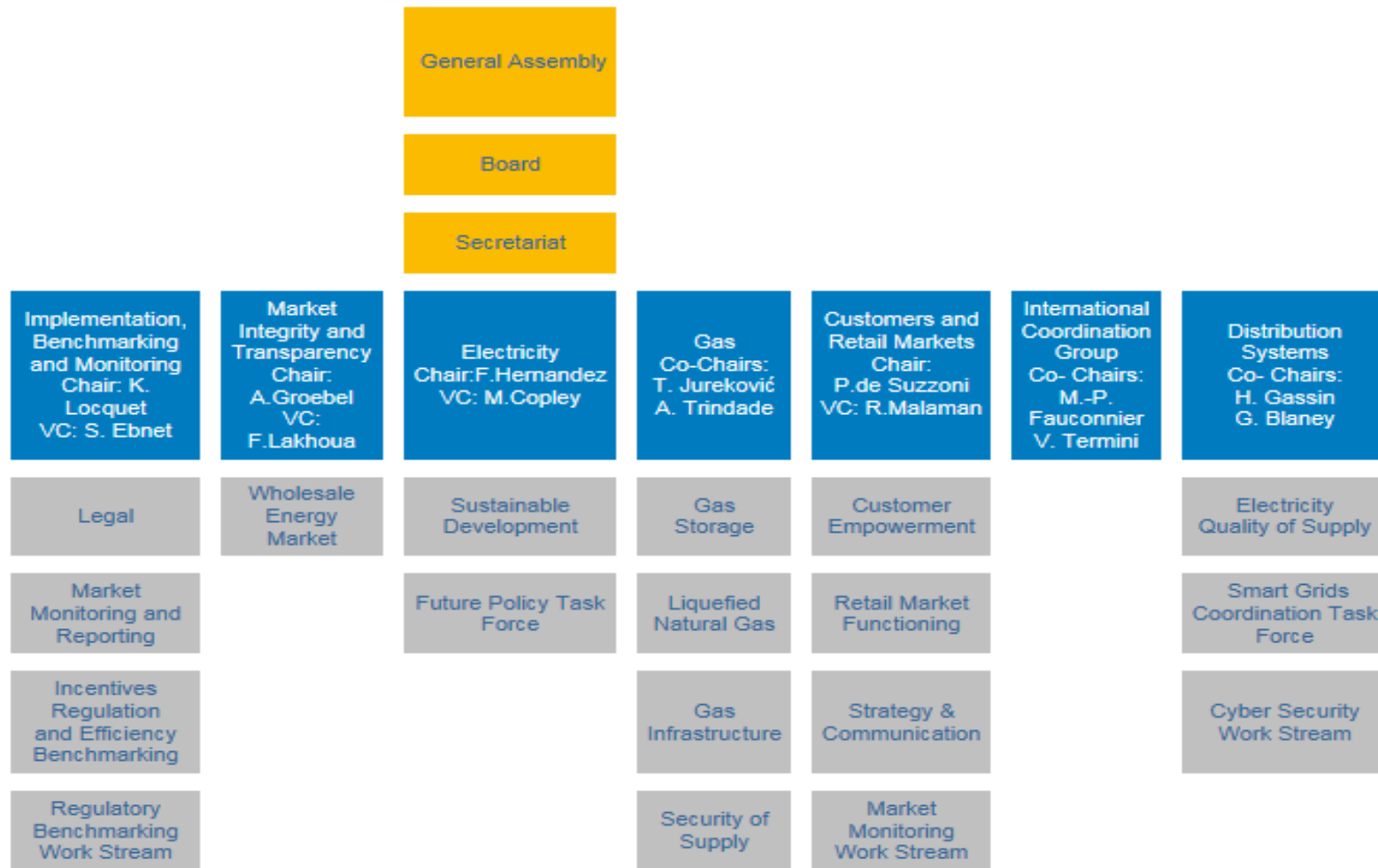


## **CEER's work on Distribution network tariffs**

Fostering energy markets,  
empowering **consumers**.

Anne Glomnes Rudi  
Copenhagen, 3 November 2016

# How CEER works



## Background

- ‘Future role of DSO’s – Conclusions paper’ 2015
- Significant changes happening at distribution level
- European Commission’s Winter Package



## Distribution network tariffs

- Sharing of information between NRAs
- No one size fits all
- Input to the European Commissions regulatory framework



## What is the role of the distribution network tariff?

- Overarching goal of distribution network tariffs:
  - ▶ Efficient use and development of the distribution network
- Need to give appropriate economic signal to users of the grid
  - ▶ Stimulate consumer behaviour
- Distribution network tariff
  - ▶ One of many tools to stimulate consumer behaviour
  - ▶ No “quick-fix”



## Basic principles

- High- level principles
  - ▶ Cost reflective
  - ▶ Cost recovery
  - ▶ Transparency
  - ▶ Non-distortionay
  - ▶ Non-discriminatory



## From theory to the real world.....

- Key considerations
  - ▶ Future proof
  - ▶ Residual costs vs price signal
  - ▶ Fair allocation of costs
  - ▶ Simplicity
  - ▶ Time element
  - ▶ Network tariffs only one of many tools
  
- Trade- offs between different/competing objectives



## Tariff structure

- Charging methods
  - ▶ Fixed charge or contracted capacity charges
  - ▶ Capacity usage based tariff
  - ▶ Energy usage based tariff
  - ▶ ToU elements in network tariff
  - ▶ Interruptible tariff





## Conclusion

- Important to share best practice
- High-level principles are common
- Country specific tariff structures
- Best Practice Guidelines on Distribution Network Tariffs – Q2 2017



# Thank you for your attention!

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