

Key messages on Danish DSO tariff design

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New tariff design ("Tarifmodel 2.0") is implemented from 2016/2017



"Tarifmodel 2.0" focuses on:

- Harmonization of tariff design for the benefit of retailers and final consumers
- 2. Grid costs are shared among consumers based on their contributions to costs, <u>including consumers with self generation</u>
- 3. Final consumers shall be rewarded for changing their consumption in response to price signals

New tariff design (Tarifmodel 2.0) is implemented from 2016/2017



The on going implementation of "Tarifmodel 2.0" seems to be a success:

- 1. Harmonization is almost 100%, and retailers forward the tariffs to final consumers
- 2. Limited negative response from consumers with self generation
- 3. Time-of-Use tariffs are implemented in 2 major DSOs





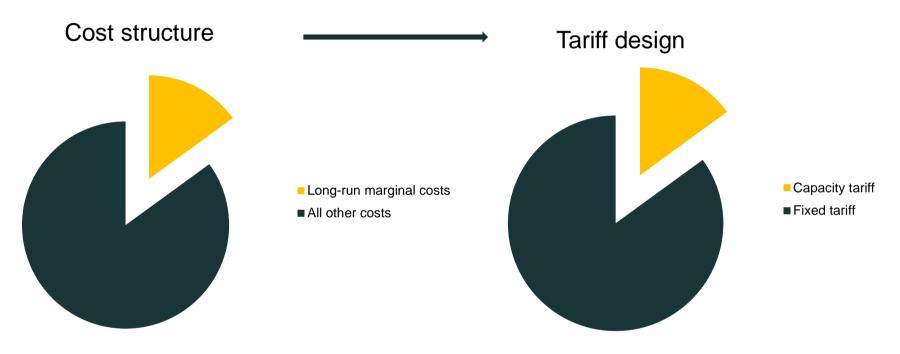
Focus points:

- 1. Preserve harmonization for the benefit of *retailers*, *service providers* (with new business models) and *final consumers*
- 2. Higher reward to consumers for changing their consumption in response to price signals?
- 3. Producers: Should we implement a kind of DSO feed-in tariffs?
- 4. How do we see DSOs cost structure (and the corresponding tariff design)?

How do we see DSOs cost structure?



(Tariff design should reflect the nature of costs)

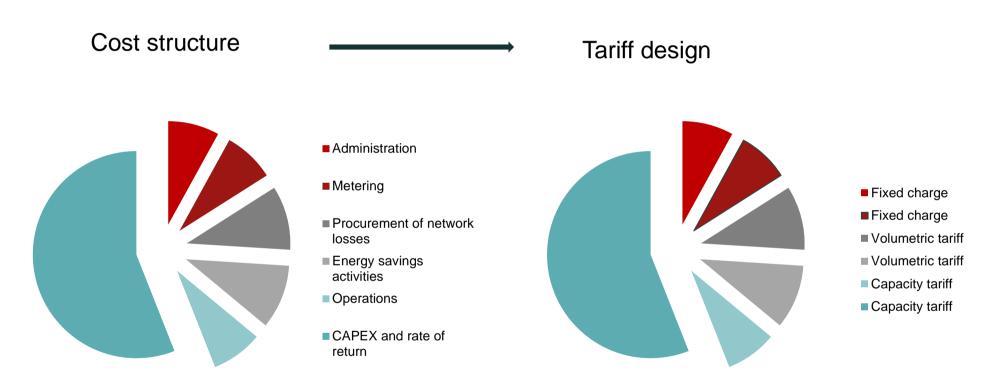


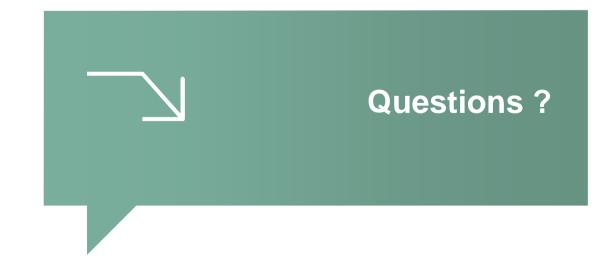
Long-run marginal costs: Future investment and operation costs to enable higher peak-load

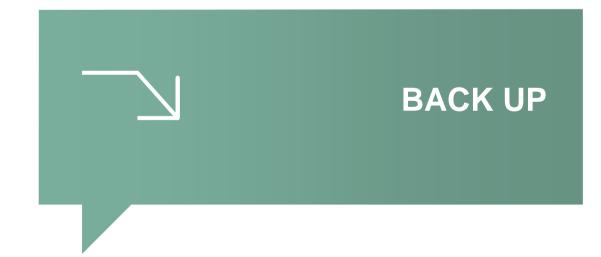
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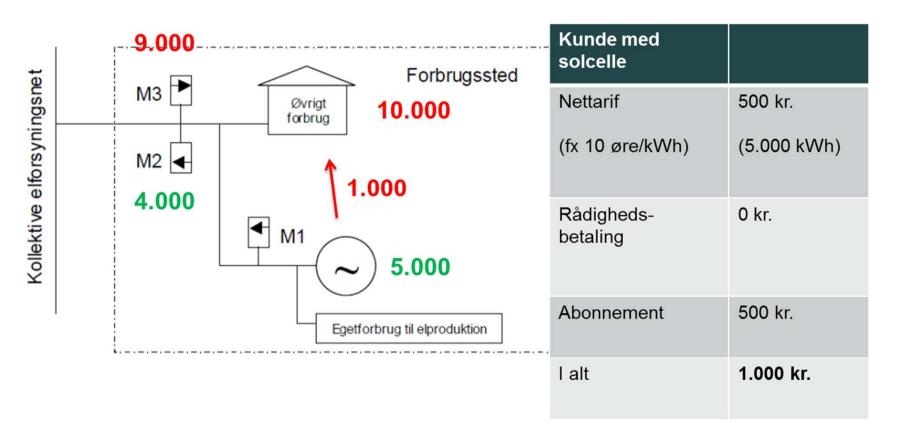


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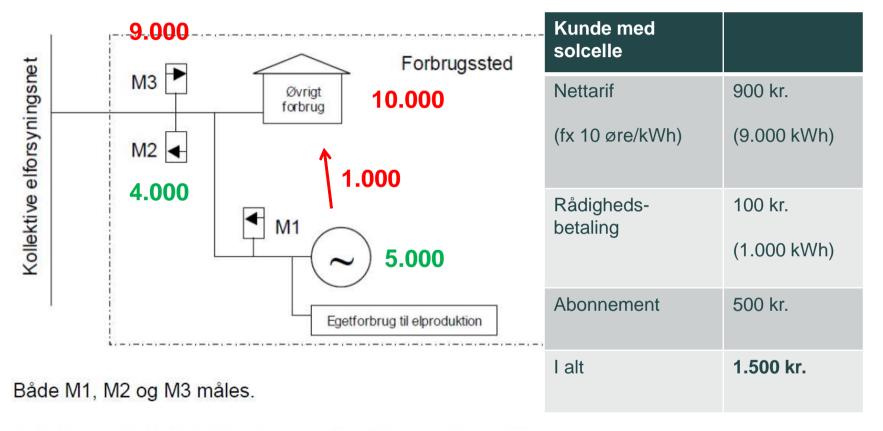








Kunden betaler nettarif af M3-M2 (nettoforbrug)



Kunden betaler nettarif af målingen M3 (for levering fra net)

Kunden betaler rådighedsbetaling af egetforbruget af produceret energi opgjort ved M0=M1-M2