

DSO Entity

European Commission proposal		
Articles 49, 50 & 52 DSOs which are not part of a VIU or which are unbundled shall cooperate at EU level through the so-called DSO entity. DSOs who wish to participate need to be registered and the cost will be borne in the tariff	Electricity Regulation	≈
Article 51 Tasks of DSO entity: TSO/DSO coordination, integration of RES, Decentralised Generation, storage in the DSO grids; development of DR, deployment of smart grids and smart metering; data management, cyber security and data protection; development of network codes, cooperation with ENTSO-E	Electricity Regulation	✓
Article 55.2 ENTSO-E or EU DSO Entity (where relevant) shall convene a drafting committee, consisting of representatives including a limited number of the main affected stakeholders.	Electricity Regulation	✓

EURELECTRIC welcomes the acknowledgement of the prominence of DSOs in the energy transition and the establishment of a EU DSO entity. The EU DSO entity must embrace all types of DSOs in Europe and its tasks should be carefully selected. We commit to take an active role in the establishment of such entity

The scope of responsibilities of the DSO entity has to be carefully defined

MS must retain final responsibility for DSO activities within their national borders and markets. The DSO entity **should be an expert organisation and should not engage in lobbying**. The entity should be comprised of national DSO technical experts focused purely on technical legislative drafting and providing advice to the European institutions. Its main objective would be to ensure harmonisation of national rules at EU level where there are verifiable efficiency gains for the operation of the distribution networks and benefit for consumers. The **principle of subsidiarity should be strictly respected** in defining the fields of activity that should be covered. Moreover, **any new rule should only be adopted based on evidence and following a detailed and solid Cost-Benefit Analysis**.

Extending the membership criterion

DSOs that are not obliged to comply with the unbundling rules are not eligible for membership in the EU DSO entity (unless they elect to voluntarily comply). Since the decisions of the DSO entity apply to all DSOs, we suggest ensuring **inclusivity of all DSOs in Europe**. Therefore, we recommend that the **membership criteria are widened to include all type of DSOs in Europe**. We also recommend that members can choose to **send a representative or proxy to DSO entity gatherings**.

Voting right

Voting rights have to be defined carefully. EURELECTRIC believes that a fair way to represent the interest of all participants in the EU DSO entity is needed. We are therefore going to work closely with other stakeholders to produce a proposal, which will be included in the statutes in the coming period.

Proposed amendments

Article 49

Distribution system operators ~~which are not part of a vertically integrated undertaking or which are unbundled according to the provisions of Article 35 [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]~~, shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall become registered members of the entity **or choose a proxy of EU or other Associations of their choosing. The EU DSO entity shall deal only with issues which require Union regulations; all others will be handled on national level.**

Electricity
Regulation

Justification

Since the decisions of the DSO entity apply to all DSOs (also smaller ones), EURELECTRIC suggests to ensure inclusivity of all DSOs in Europe, therefore recommending that the membership criteria is also widened to include all DSOs in Europe.

Article 51

1. The tasks of the EU DSO entity shall be **selected appropriately and can include** the following:

- (a) coordinated operation and planning of transmission and distribution networks;
- (b) integration of renewable energy resources, distributed generation and other resources embedded in the distribution network such as energy storage;
- (c) development of demand response;
- (d) digitalisation of distribution networks including deployment of smart grids and intelligent metering systems;
- (e) data management, cyber security and data protection
- (f) participation in the elaboration of network codes pursuant to Article 56.

2. In addition the EU DSO entity shall:

- (a) cooperate with ENTSO for electricity on the monitoring of implementation of the network codes and guidelines which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks and which are adopted pursuant to this Regulation;
- (b) cooperate with ENTSO for electricity and adopt best practices on the coordinated operation and planning of transmission and distribution systems including issues such as exchange of data between operators and coordination of distributed energy resources;
- ~~(c) work on identifying best practices on the areas identified in paragraph 1 and for the introduction of energy efficiency improvements in the distribution network;~~
- (d) adopt an annual work programme and an annual report;
- (e) operate in full compliance with competition rules.

Electricity
Regulation

Justification

The DSO entity should be comprised of national DSO technical experts focused purely on technical legislative drafting and providing advice to the European institutions. Its main objective would be to ensure harmonisation of national rules at EU level where there are verifiable efficiency gains for the operation of the distribution networks and benefit for consumers. EU DSO entity should not engage in lobbying activities, therefore modify the tasks accordingly.