



Memorandum of Understanding

Between
on the one hand

The European Network of Transmission System Operators for Electricity, an International non-profit association incorporated under the laws of Belgium, having its registered office at Avenue de Cortenbergh 100, B-1000 Brussels, Belgium, hereby represented by Laurent Schmitt, ENTSO-E Secretary General (**ENTSO-E**).

and, on the other hand

Associations representing European Distribution System Operators (DSOs), notably:

CEDEC, having its registered office at Galerie Ravenstein 4, B2, 1000 Brussels, Belgium hereby represented by Gert De Block, Secretary General (**CEDEC**).

and

European Distribution System Operators' Association for Smart Grids, having its registered office at Rue de la Loi 82, 1040 Brussels, Belgium, hereby represented by Roberto Zangrandi, Secretary General (**EDSO for Smart Grids**).

and

The Union of the Electricity Industry, having its registered office at Boulevard de l'Imperatrice 66, 1000 Brussels, Belgium, hereby represented by Kristian Ruby, Secretary General (**eurelectric**).

and

GEODE, having its registered office at Avenue Marnix 28, 1000 Brussels, Belgium, hereby represented by Carmen Gimeno, Secretary General (**GEODE**).

ENTSO-E and the Associations representing European DSOs will hereafter be referred to collectively as "the Signatories" and individually as "the Signatory".

Whereas:

- (1) Distribution System Operators (DSOs) and Transmission System Operators (TSOs) increasingly face similar challenges and share common interests: integration of large quantities of renewable energy sources, facilitation of flexibility services (including Demand Side Response), roll-out of new communication equipment and software, increasing need for data, and the renewal of aging grids.
- (2) More cooperation at EU level is needed to increase the common understanding of future challenges of integrating distributed flexibility resources and to realise synergies in research, development and innovation (R&D&I), and to raise the efficiency of network codes implementation (the Signatories have separately established a Network Code Implementation Group), network planning, and operation. Likewise, more cooperation is required at the EU policy level between the Signatories.

Legislative and regulatory authorities acknowledge this fact. ACER's Paper "European Energy Regulation: A Bridge to 2025", published in April 2014, already explicitly called for 'improved coordination' between TSOs and DSOs and 'more clearly defining their respective roles and responsibilities'. In parallel, the European Commission's communication (2014) on Progress towards Completing the Internal Energy Market referred to the changing interactions between TSOs and DSOs, and directly acknowledges the narrowing gap between the tasks associated with both categories of network operators. Several of these elements are taken into the Clean Energy Package, particularly in the revised Electricity Market design Regulation and Directive providing for formal DSO-TSO cooperation at the EU level.

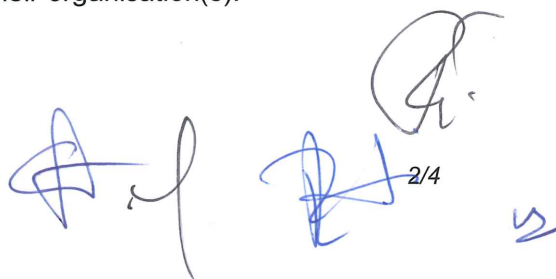
I. Objective

In order to meet the challenges described above, the Signatories express in this Memorandum of Understanding (hereafter MoU) their willingness to reinforce policy and communication papers exchange (II) and joint activities (III) in areas of common interest (IV), having regular meetings (V) and taking into account the legal framework for such an MoU (VI). Furthermore, the Signatories express their willingness to cooperate while conducting the tasks resulting from this MoU in a way that is constructive, with trust and mutual respect.

II. Policy and communication papers exchange

Emphasising common challenges facing both TSOs and DSOs to European institutions, regulatory authorities and other stakeholders is crucial. Working together and present common messages is a powerful tool to explain how system operators work towards the achievement of European energy policy goals and the wider societal benefit. These explanations and positions should underline the crucial role of the networks for security of supply, market facilitation and integration of renewable energy and demand response.

To best explain the common challenges and interests, and to improve trust and transparency in the respective activities, the Signatories will strive to keep each other informed of relevant positions and communication papers, particularly those that address tasks and in particular interests of the respective transmission or distribution system operators. The Signatories strive to exchange information ahead of publication and dissemination in order to give the Signatories a chance to highlight content that could be problematic for their organisation(s).



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The Signatories will strive not to share, outside of their respective associations, any draft texts received from other Signatories unless agreed in advance with the drafting entity. The Signatories are not bound to include suggested amendments received, given that the associations are independent and free to take their own positions.

III. Joint activities

The Signatories envisage cooperation in areas of common interest, but only if deemed appropriate by all associations concerned. This can include taking common positions whenever useful and necessary due to common challenges and interests.

Where joint activities are agreed, the Signatories will endeavour to ensure that ENTSO-E on one hand and the associations representing European DSOs on the other hand play a balanced role, and that they are all represented in a balanced way on any joint materials and events, unless otherwise agreed between the Signatories. The Signatories strive for transparency and will communicate the outcome of such activities to other organisations when agreed upon by the Signatories.

IV. Areas of common interest

Broad areas for exchange of views, policy and communication papers exchange and joint activities can include the following topics: roles and responsibilities of TSOs and DSOs in the energy system, interfaces between DSOs and TSOs, active and reactive power management, data management, digitalisation, coordinated planning of network development, network code implementation and cooperation on opinions on EC financed R&D schemes.

This list of broad themes is indicative and can change over time. The Signatories will produce and maintain an agreed work programme which sets out the work items to be produced and the timetable.

V. Regular meetings

The Signatories will meet regularly, at least twice per year, which can be extended in case of specific needs expressed by one or multiple Signatories to this MoU. Participation to the meetings is required unless justified. The agenda and the topics should be agreed in advance and in a timely manner to allow for due decisions.

VI. Final provisions

This MoU is non-binding and shall not be construed or interpreted to create any legal obligations for the Signatories.

The Signatories acknowledge that any interaction or exchange of information under this MoU shall be done in compliance with:

- (1) their obligations under competition law;
- (2) their obligations not to disclose commercially sensitive information;
- (3) their obligations to protect personal data; and
- (4) any other legal obligation under national and EU law.

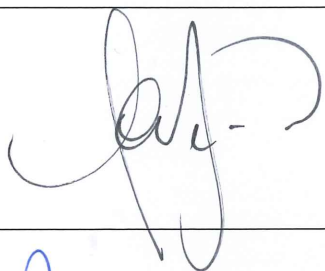
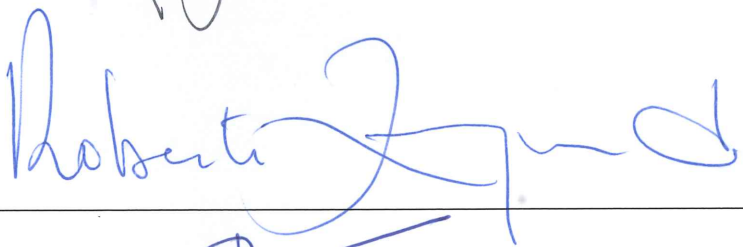
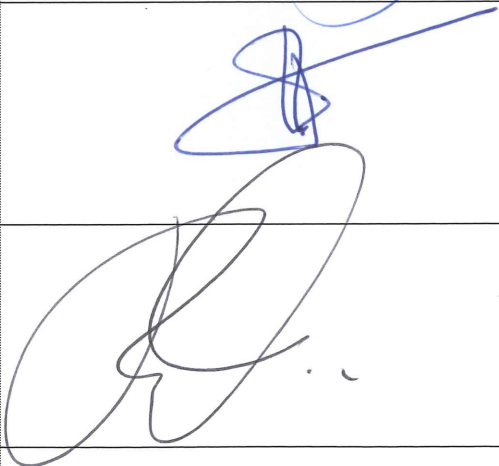
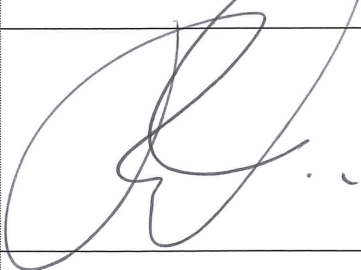


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Further, the Signatories acknowledge that nothing in this MoU:

- (1) is a commitment of financial resources by any of the Signatories;
- (2) is intended to create an exclusive relationship between the Signatories;
- (3) will restrict any Signatory's individual interactions with third parties on the collaboration activities covered by this MoU.

Date of signing of 5 copies: 23 October 2018

Gert de Block Secretary General CEDEC	
Roberto Zangrandi Secretary General EDSO	
Laurent Schmitt Secretary General ENTSO-E	
Kristian Ruby Secretary General eurelectric	
Carmen Gimeno Secretary General GEODE	