Incentives for DSOs to promote electricity markets

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DSOs and electricity markets

- DSOs should be neutral market facilitators
- One of their task is to establish the market place for electricity
- In performing tasks, DSOs should promote well-functioning electricity markets
- If DSOs are failing in their tasks, well-functioning retail markets are not possible
Tools for the DSOs to promote electricity markets

- Unbundling
- Maintaining and developing the framework
- Performing tasks of their responsibility
Unbundling

- A true unbundling is a necessity
- Clear vision on which tasks belong to the DSOs – own identity
- Independence of the DSOs from supply activities in decision making
- Neutrality of DSOs towards all market actors
- > Incentives: clear rules and regulations which support the independence and neutrality of the DSOs

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Maintaining and developing the framework

• Investments to the network
• Metering
• Quality of supply
• Incentives:
  – Economic regulation model which allows a reasonable return on invested capital
  – Incentives for the DSOs to find more efficient solutions (efficiency targets)
  – Clear rules for the roll-out of AMR and requirements to use them
Tasks for the DSOs

• Quick and reliable information exchange between market actors
  – In processes: Supplier switching, moving, balance settlement, metering etc

• Access to relevant customer information
  – Same conditions for each supplier

• Incentives:
  – Defined and transparent processes
  – Electronic information exchange
  – Regulation on timeframes, content of messages

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