

EERA JP Smart Grids feedback to the ACER-CEER guidance paper on “Electricity transmission and distribution “smart-grid” performance indicators”

1. Do you agree that output indicators are primarily up to National Regulatory Authorities, while input indicators and input-output relationships could better be addressed by network operators? If not, can you explain why you disagree?

Yes, we agree considering that regulators will consult operators while quantifying the output indicators.

2. Do you have comments on the proposed dimensions of output measures?

According to our opinion, the dimensions of the output measures are generally well selected, nevertheless we propose some possible improvements:

- Regarding the dimension 2 (Integration of increased electrification of energy uses and efficient connections). Electrification could be assessed in relation to specific sectors, such as transport, water heating, HVAC, among others thus resulting in a more detailed view of the electrification progress.
- An important dimension that could be included is the “amount of integrated storage”, which could be measured for an entire power system of a country.
- Another interesting dimension that could be considered is the “integration with other energy sectors” to assess the efforts made to integrate electricity with gas/heating/cooling networks, both at the operational and planning levels.

3. Would you agree with the ACER-CEER proposal to define a very limited set of indicators to be monitored across Europe and a basket of indicators, which could be adopted country by country also to reflect national priorities? If not, why would you disagree?

We agree on the proposed mix of indicators. To ensure that there is effective monitoring and performance evaluation in all European countries, the “basket” indicators to be used at national level should be designed in a way that maximizes the equal application in all the countries where they would be applied.



4. Network performance indicators can be linked to different regulatory actions, such as for instance monitoring performance, setting minimum requirements and applying performance-based incentive regulation. How do you see the balance among these possible actions?

Performance based incentive regulation should be the main strategy. The key issue to be addressed is how to foster investment able to sustain the clean energy transition.

5. Would you like to suggest one key performance indicator for electricity distribution and one for electricity transmission which are the most relevant in your view and explain the reasons behind your suggestions?

Load flexibility is essential for modern electricity network management as it helps balance supply and demand, particularly in scenarios characterized by high shares of renewables. It will become a fundamental aspect to ensure grid stability, lower overall CAPEX and help to achieve environmental targets.

Therefore, we suggest two flexibility-related indicators, which could be used both for distribution and transmission. They could be calculated as follows:

- o Flexibility Potential Indicator (FPI) \rightarrow $FPI (\%) = \text{Estimated Flexible Load (MWh)} / \text{Total Load (MWh)}$
- o Flexibility Usage Indicator (FUI) \rightarrow $FUI (\%) = \text{Flexible Load Used (MWh)} / \text{Estimated Flexible Load (MWh)}$

Moreover load factor of low and medium voltage network could indicate the ability to operate the grid close to the limits leveraging flexibility and smarter use of infrastructure.

An indicator regarding re-dispatch could also be useful to foster the optimization of resource activation.