

## **EER's perspective on New EU DSO Body (ACER Survey on the Statutes)**

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The [European Energy Retailers](#), in line with its [position paper on Unbundling \(July 2019\)](#), is concerned that without effective unbundling, the new EU DSO Body, while undeniably destined to create value, risks reinforcing the role of vertically integrated companies to the detriment of competition and independent operators in the EU. In fact, unbundling is not yet fully effective in many EU Member States in which established companies have vertically integrated activities (generation, distribution and energy supply). **ACER (and the European Commission) should consider different typologies of the members of the Body: the “independent” DSOs and the “integrated” DSOs with other activities in their holdings**, from which the brands are still in many cases practically indistinguishable, although progress has been made in recent years (see CEER report, 2019).

The work of drafting new network codes, for example, must be carried out in a strictly neutral manner and with the constructive participation of all market players, such as retailers, aggregators and other service providers, to avoid the possibility that DSOs disproportionately influence the content of regulations in a way that gives service companies in integrated groups an unfair advantage over new market players, such as, for example, independent retailers, small-scale renewable energy producers, energy communities or aggregators.

It is essential that the Body is obliged to include the vision and technical experience of other operators in the energy value chain, such as retailers and demand aggregators. These actors cover the “last mile” of the energy system, with consumers at the centre. This is a key part of the value chain that cannot be forgotten by defining technical rules related to networks, smart meters, management and data formats, cybersecurity, demand side flexibility, and integration of renewable energies.

**For this reason, according to EER, all stakeholders in the value chain should be involved in the work of the DSO Body at least as “observers”, and a quota (in relation 1:3 with Board Members) should be reserved. Furthermore, a robust oversight of the EU DSO Body by ACER and the Commission is needed to ensure effective unbundling and limit the DSOs to their regulated activities.**

As an example, a recent [E.DSO Webinar \(8 July 2020\)](#) showed the engagement and interest of the DSOs to play a key role in “*relationship with the customer in the energy transition*”, when actually (except for the consumer with direct grid tariff) the CUSTOMERS of the DSOs are the RETAILERS, not the final consumer. This seriously confusing claim made by DSOs more than explains why a quota for observers and strong oversight is needed to ensure proper unbundling, distinguishing between the role of market players and regulated entities, required for the proper functioning of the energy market.