

CurrENT response to ACER-CEER guiding principles on “smart-grid” performance indicators

Brussels, 26 July 2024 - CurrENT welcomes the guidance paper on electricity transmission and distribution “smart-grid” performance indicators released by ACER and CEER in June 2024. The document sets key principles for the development of harmonised national network performance indicators and provides a framework to the ongoing work at EU level.

Below CurrENT answers to the survey:

- 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?**

CurrENT agrees with the definition and use of output indicators by National Regulatory Authorities (NRAs), as they play a fundamental role in monitoring the performance of the network and in incentivising innovative and proven technological solutions. Output-based performance indicators provide a measure for observing, quantifying and verifying network performance targets, and they allow the implementation of related incentives while ensuring economic efficiency. Ultimately, they are instrumental for NRAs in fulfilling their mandate set in Article 59(1)(l) the Electricity Directive ((EU) 2019/944) and they are in line with the Energy Efficiency First principle.

CurrENT also highlight the importance of the adoption of consistent key performance indicators by Member States across the Union, allowing the monitoring and the well-functioning of a pan-European electricity grid.

- 2. Do you have comments on the proposed dimensions of output measures?**
When translating these dimensions into national smart-grid indicators, NRAs should be careful in designing them in a way to accelerate and not hinder the transition. In order to optimise grid performance and include and efficient

technologies, the use of these indicators needs to incentivize risk-taking with proven innovative technologies into wide scale deployment, and avoid 'death by pilot' situations.

NRA's should also regularly review the definition of the performance indicators and targets, as it should be considered a living process.

Lastly, the "Other quality of service objectives" and "Data made available for market participants (including for enabling participation of network users)" should not be used as "smart-grid" performance indicators, but they should rather be used as key performance indicators for the evaluation of services provided by system operators other than the management of the grid.

- 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?**

CurrENT agrees with ACER-CEER proposal. Network performance indicators need to be very simple to understand, and hence small in number and easily accepted by stakeholders.

- 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?**

- 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?**

The efficient use of infrastructure is instrumental to reach all Europe's decarbonisation objectives, and therefore it plays a pivotal role in measuring the performance of the electricity network, both at transmission and distribution levels.

Therefore, CurrENT would welcome adopting 'efficient use of infrastructure' as the most important key performance indicator for both electricity transmission and distribution. This can be monitored via utilised transmission ampacity

versus standardised transmission ampacity (KPI on efficient energy transmission or “KPI_{EET}”):

KPI_{EET} = (available transmission ampacity)/standardised transmission ampacity.

However, CurrENT would emphasize that consulting with stakeholders on the methodology of this KPI is key, in order to make sure that the benefits of innovative grid technologies are fully captured in the methodology.

In addition, CurrENT would recommend developing this KPI in a phased approach, starting with the higher voltage levels, and then subsequently working at lower voltage levels.