Implementation of Articles 9-11 of the EED in Italy and AEEGSI’s role

Marcella Pavan
Department for Regulation
Head of Strategies and Regulatory Studies
OVERVIEW

Directive 2012/27/CE → Legislative Decree n. 102/2014

Art. 9-11 (and Art. 13 on penalties) → Art. 9 (and Art. 16 on penalties)

AEEGSI entrusted with implementation in the DHC sector

+ Introduction of regulation of the DHC sector; new role for AEEGSI
The Authority for electricity, gas and water

- **Independent body** established in 1995 (Law n. 481/95)
- Regulates and monitors the national electricity and gas sector
- Since 2012 competencies extended to the water sector (Law n. 214/2011)
- For general objectives, main regulatory functions, monitoring and enforcement powers, advising function to the Government and the Parliament, decision making process, etc.:

  [www.autorita.energia.it](http://www.autorita.energia.it)

- **Member, *inter alia*, of:** CEER (European Council of Energy Regulators), ACER (Agency for the Cooperation of Energy Regulators), MEDREG (Association of Mediterranean Regulators for electricity and natural gas), ECRB (Energy Community Regulatory Board), WAREG (Network of European Water Service Regulators), ICER (International Confederation of Energy Regulators)
AEEE’s new competencies in the DHC sector (1)

New regulatory tasks pursuant Decree n. 102/2014 (Art. 10, paragraph 17 and 18):

a) regulation of quality of service, continuity and security of supply as well as of metering devices

b) criteria to determine connection charges for final customers + regulation of the right to disconnect from the DHC network

c) heat price regulation when connection to the DHC network is mandatory

d) regulation to guarantee that network operators provide final customers with full, clear and transparent information on prices

e) technical and economic regulation concerning the connection of new thermal units to DHC networks
AEEGSI’s new competencies in the DHC sector (2)

New regulatory tasks in the field of metering, billing and billing information pursuant Decree n. 102/2014 (art. 9, paragraph 1 and 5)

⇒ Cf. following slides
AEEGSI’s new competencies in the DHC sector (3)

Monitoring and Enforcement powers:

- according to AEEGSI’s funding law (Law 14 November 1995, n. 481/95), e.g.:
  - request of information and documents to parties operating in the regulated sectors
  - inspections to ensure compliance with regulation
  - financial penalties on operators for infringing regulation, refusing to provide information or providing false information, not allowing inspections
  - order operators to cease behavior which is detrimental to the rights of consumers and oblige the party compensation
  - adoption of temporary measures during arbitration or conciliation procedures to ensure continuity of supply or eliminate abuses or improper conducts
Implementation of Articles 9-11 in Italy: Legislative Decree n. 102/2014
Heat Metering (1)

AEEGSI shall define how “parties in charge of the metering activity” in the DHC sector:

a) provide final customers with individual meters that accurately reflect their actual energy consumption and provide information on actual time of use unless this is not technically or financially feasible

b) provide final customers with individual meters “when an existing meter is replaced also when a new connection is made in a new building or a building undergoes major renovations as set out in Decree n. 192/2005”

Within 24 months following the enter into force of the Decree
Heat Metering (2)

In order to promote consumption reductions through the metering of individual consumption and the allocation of the related costs on the basis of the actual consumption of each apartment:

• in multi-apartment and multi-purpose buildings with a central heating/cooling source or supplied from a DHC network or from a central source serving multiple buildings “service providers” shall install by 31 December 2016 individual meters to measure the consumption of heat or cooling or hot water for each unit, where technically feasible, cost-efficient and proportionate in relation to the potential energy savings.

Cost efficiency can be assessed on the basis of the European Standard EN 15459.

Cases in which the installation of individual meter is not technically feasible have to be reported.

Regions ensure compliance and impose financial penalties.
Heat Metering (3)

- In multi-apartment and multi-purpose buildings, where the installation of individual meters is not technically feasible or not cost-efficient, **individual heat cost allocators (HCAs) plus temperature control systems shall be used** for measuring heat consumption at each radiator, unless this is not cost-efficient.

Cost efficiency to be assessed on the basis of the European Standard EN 15459.

AEEGSI shall define conditions upon which each final customer may entrust a party different from the supplier (“the service provider”) with this service.

In case the installation of such HCA would not be cost-efficient **alternative cost-efficient methods** have to be considered.

Regions ensure that “multi-apartment buildings and final customers” comply with this provision and impose financial penalties.
Heat Metering (4)

Where heating, cooling or hot water are supplied to a building from a DHC network or a central source serving multiple buildings, “service providers” shall install by 31 December 2016 a heat or hot water meter at the heating exchanger or point of delivery.

AEEGSI ensures compliance with this provision and imposes financial penalties to non compliant parties.
Rules on heat cost allocation (1)

- Where multi-apartment buildings are supplied from DHC or from common heating or cooling systems, the allocation of the cost of thermal or hot water consumption to each apartment in such buildings shall be made on the basis of the National Standard UNI 10200 (cf. following side).

The sharing of the cost incurred in the first year following the installation of the metering devices (meters, HCAs or others) may be made only on the basis of floor area.

Regions ensure that “multi-apartment buildings” comply with this provision and impose financial penalties in case of infringement.
Rules on heat cost allocation (2)

NATIONAL STANDARD UNI 10200 (2013)
Sets criteria to allocate the cost of heating and hot water for domestic uses for multi-flat buildings with central heating systems

Heating/hot water expenditures

Voluntary consumption (*)
Non-voluntary consumption (**)  
Electric consumption
Operating expenses

Allocation based on readings (meter, HCA, others)
Allocation based on useful thermal demand (=> Standard UNI/TS 100300)

(*) due to voluntary actions via temperature control systems
(**) e.g. network losses
Billing and billing information

AEEGSI shall define ways in which “energy suppliers” comply with the provisions of Art. 10(3) of the EED and Annex VII, e.g.:

a) at request of the final consumer, ensure that energy service providers designated by the final customer have access to information on the energy billing and historical consumption (to the extent that this information is available)

b) offer the option of electronic bills and billing information

c) ensure that with their bill final customers have access to a minimum set of information which include: current actual prices and actual consumption, inter-temporal comparisons of their consumption, contact information for energy efficiency advice

d) at request, offer billing information and flexible arrangements for payments

In addition AEEGSI shall define ways to ensure that final customers have access to comparisons with an average final consumer in the same user class.

Deadline: 18 months following the enter into force of Decree 102/2014.
Previously: no national legislation => Mixed picture.
Cost of access to metering and billing information (5)

AEEGSI shall ensure that no specific charges are raised on final customers to receive bills and billing information and to access data on their energy consumption.
Work in progress (1)

- Clarification of roles and responsibilities of different parties pursuant Legislative Decree n. 102/2014, e.g. who are the obligated parties with reference to the installation of individual meters/heat cost allocators/alternative measures?

- Revision of Standard UNI 10200 on principles and rules for the allocation of heat cost; current discussion on e.g.:
  - integrating principles and criteria to allocate the cost of cooling
  - introducing an average seasonal error for the metering system
  - integrating the case of irregular occupancy
  - check coherency with European Product Standards while, at the same time, ensuring transparency to final customers.
Work in progress (2)

• AEEGSI analysis and assessment of the state of the art in the DHC sector, e.g.:
  ✓ roles and responsibilities of different parties so far and + pursuant to Legislative Decree n. 102/2014 (joint work with the Ministry of Industry)
  ✓ degree of diffusion, technical characteristics and functionalities of installed heat meters
  ✓ frequency and content of actual bills and degree of diffusion of billing information
  ✓ quality of the metering service
  ✓ current technical standards and norms and assessment of further developments
  ✓ .....
www.autorita.energia.it/it/operatori/operatori_tlr.htm
Thank you

mpavan@autorita.energia.it