

# The role of the energy regulation authorities in the closed distribution systems

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# Definition

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- According to the Estonian Electricity Market Act closed distribution network means a network that is used to transmit electricity within limited production locations, commercial-purpose civil engineering works or joint services locations to commercial consumers that are located there and whose activities or production processes are interconnected for technical or safety-related reasons, or that is used to transmit electricity chiefly to the owner of the network or to the network operator who operates the network, or to any undertakings that are connected to the owner or network operator by means of control

# Definition

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- As it can be seen from the previous slide – by the law, only legal entities (commercial consumers) can form a closed distribution network system and this does not apply to natural persons (household consumers).

# Authorisation

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- In ordinary cases for the provision of network services through the transmission network an authorisation (license) is required.
- The obligation to hold an authorisation does not apply to the closed distribution networks.

# Network Operations

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- According to general principles of law, a network or a line may be constructed and/or network services may be provided in the service area indicated in the authorisation of a distribution network operator only by the distribution network operator.
- This does not apply if in the service area of the distribution network operator a closed distribution network is being built or electricity is being conveyed (distributed) in a closed distribution network.

# Network services

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- There is no obligation to obtain approval from the Energy regulator for network charges or on standard contract terms and conditions.
- Only if approval charges or/and terms and conditions is requested by a commercial consumer, whose electrical installation is connected to such a network, then a network operator who provides network services through a closed distribution network, must obtain approval from the Energy regulator.

# Disputes

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- Any disputes, problems, etc. which cannot be resolved between the members of the closed distribution system and that fall under the Law of Obligations Act, shall be settled by the Code of Civil Procedure or the Consumer Protection Act.
- Just for information - the same rule applies to energy communities and to active users of network services.

# THANK YOU!

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