



# Quality regulation in The Netherlands

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# Contents

- General overview regulation in NL
- Quality Regulation
  - General approach
  - Status
  - Next steps
- Conclusions

# Regulation of network companies in NL

- At this time DTe regulates 1 TSO and 18 RTOs
- Economic regulation: Price-cap system (CPI - X)
  - benchmarking
  - first set of X factors recently set for the period 2001-3
  - X factors ranged from -2% to 9%
- Quality regulation, topic of this presentation

# Quality Regulation: General principles

- Value for money: prices as low as possible with an appropriate level of quality
- Price-cap system provides incentives for quality reductions
- Integration between economic and quality regulation
  - Step 1: Setting the boundaries
  - Step 2: Optimization within boundaries

# Quality regulation: Status overview

## Commercial Quality

- Decision made on a set of targets to be met
- No penalties (yet)

## Continuity of supply

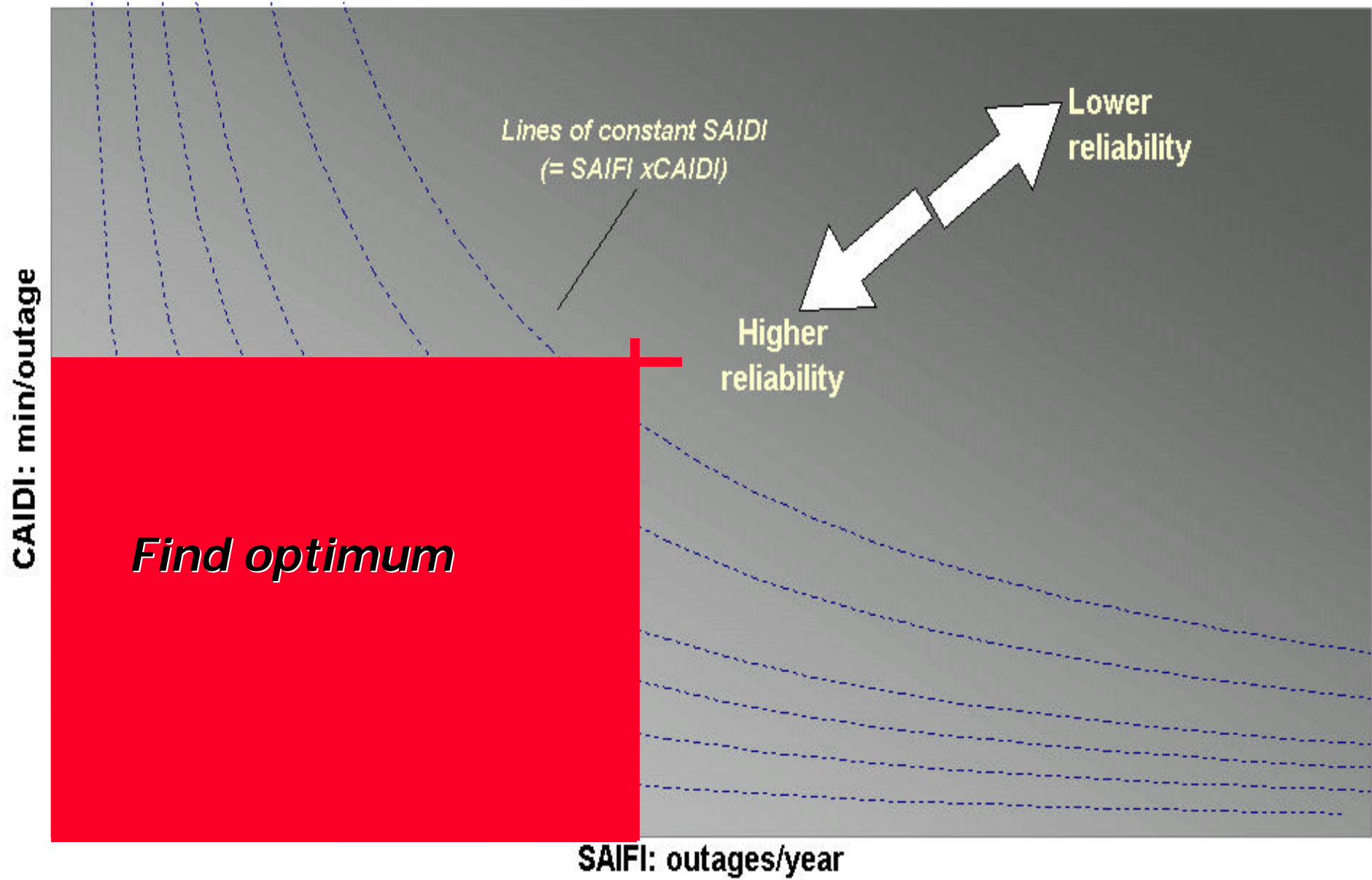
- Does not regard liability
- Restoration of supply within 4-hours, independent of the cause
- Households: compensation of about EUR 35,- per outage
- Industry: Compensation of about EUR 0,35 per kW with a maximum of EUR 90.000,-

## Voltage Quality

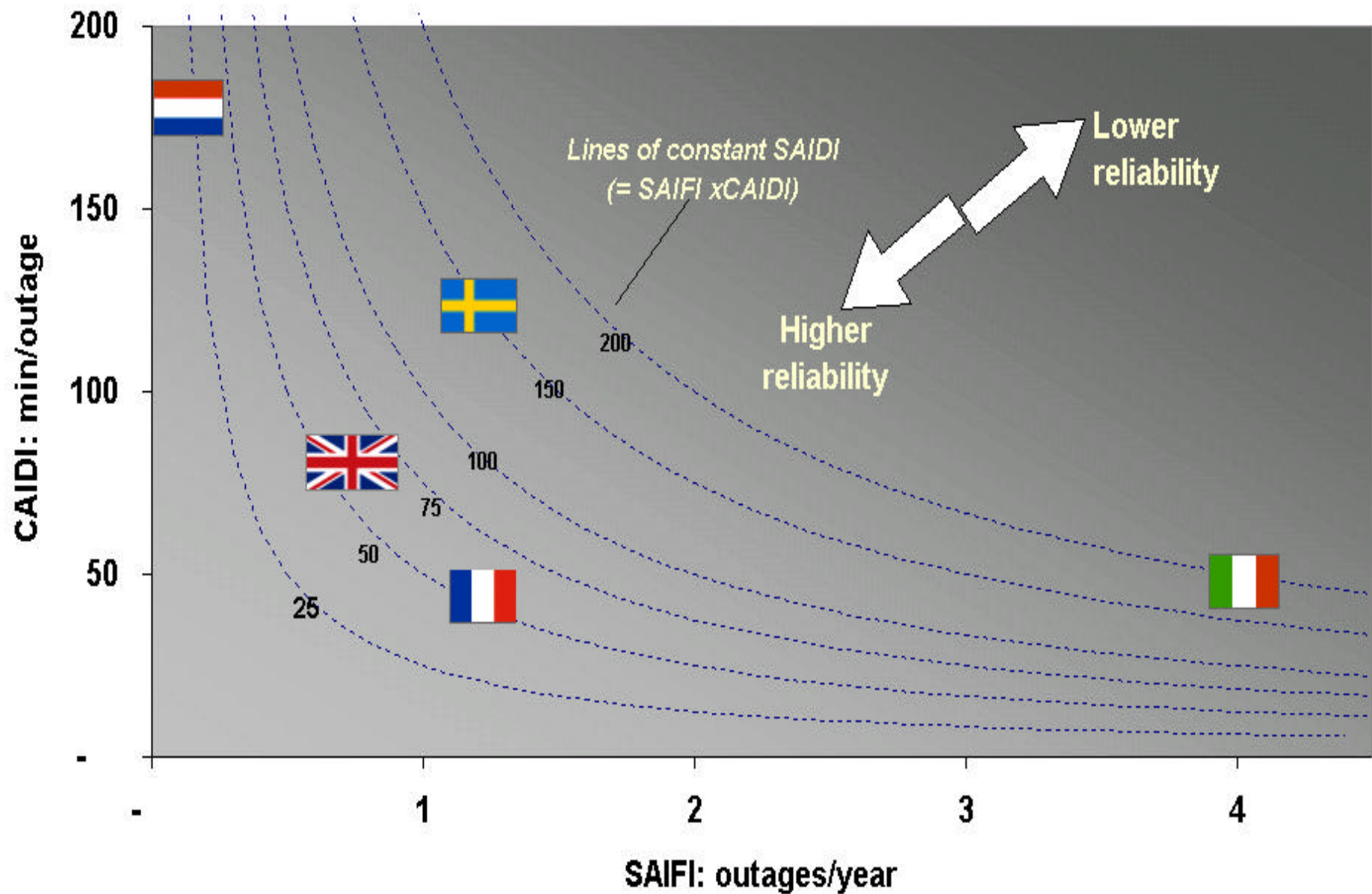
- Automatic financial compensation
- EN 50160+ for all voltage levels
- Differentiation to voltage levels still under consideration

# Next steps

- The focus is on reliability
- Step 1: Further setting of boundaries
  - Number of individual outages?
  - System level boundaries?
- Step 2: Optimization within the boundaries
  - Combination of economic/quality regulation. How?
  - What is the right reliability/price level. How to achieve this?
  - Which (non-)controllable factors influence the level of reliability?
  - etc.



## Reliability in Europe: Can we use these figures?





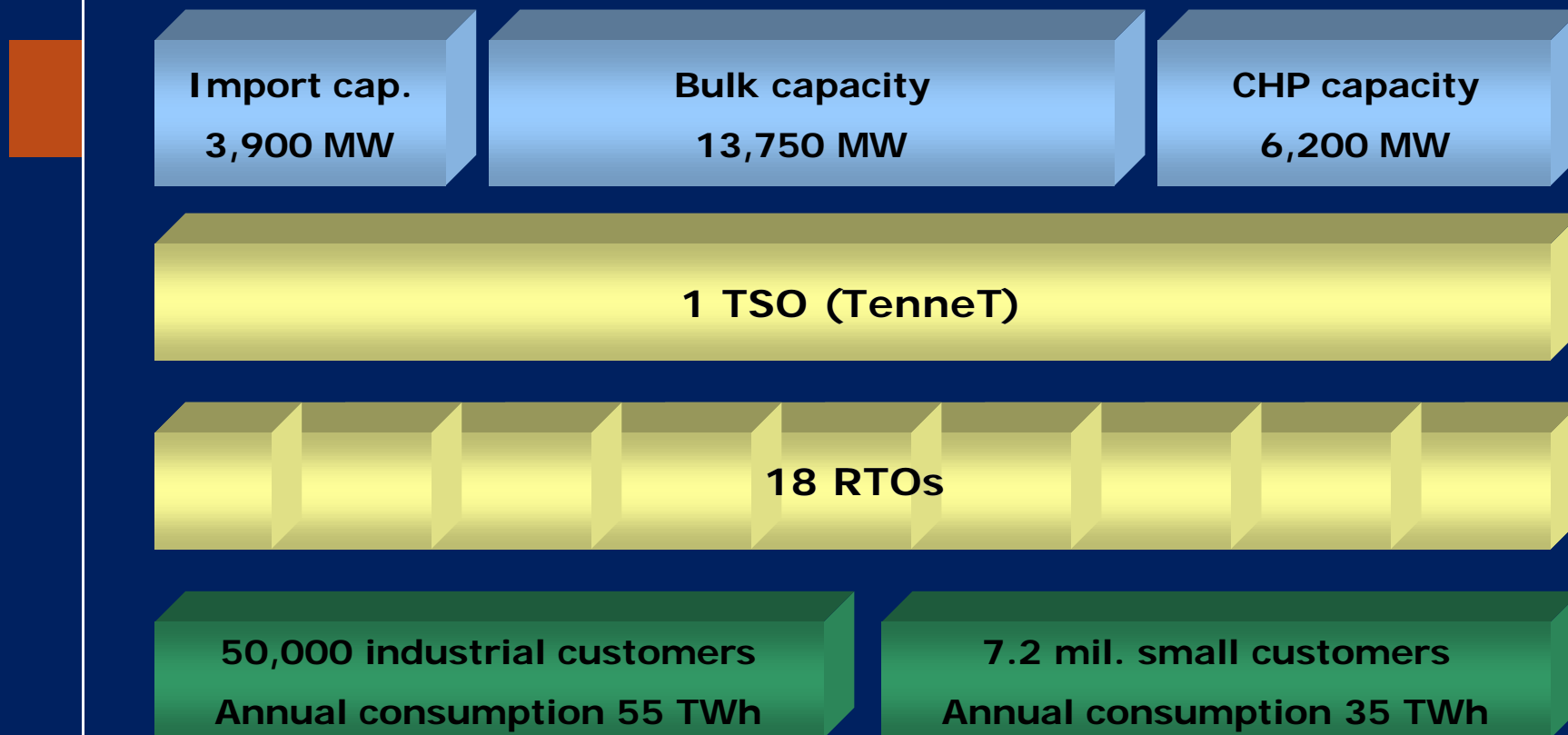
# Conclusions

- Integrated approach is needed
  - Lot of questions still open on how to do this
  - Reliable (international) data is a must
- Recommendations
  - Proceed with comparison
  - More detailed and focussed level on reliability
  - Further harmonize definitions



## Extra slides

# The Dutch Electricity Sector (2000)



# X-factors for RTOs [2001-2003]

