

Christine Brandstätt and Jean-Michel Glachant: “*The new issues and options for Distribution grids*”

Abstract

We discuss how trends in technology translate into novel business models, which in turn require dedicated transactional agreements as well as adjusted regulation. Regulators and policymakers are taking on the challenge of facilitating the integration of electricity from renewable sources and leveraging the potential of digitalization in the energy sector. This furthers the evolution of regulation from the aim of reducing the cost of network provision to catering for a cost-increasing transformation of the network service. The cases of Germany and the Netherlands serve to illustrate: one showcasing incremental change and the other the need to leap ahead and reinvent to some extent. These national cases illustrate measures limiting grid users’ access to scarce network capacity, incentivizing their flexibility and encouraging network operators to innovate grid operation beyond the technical realm. The future for this sector, however, appears to take shape on a new, European level.