

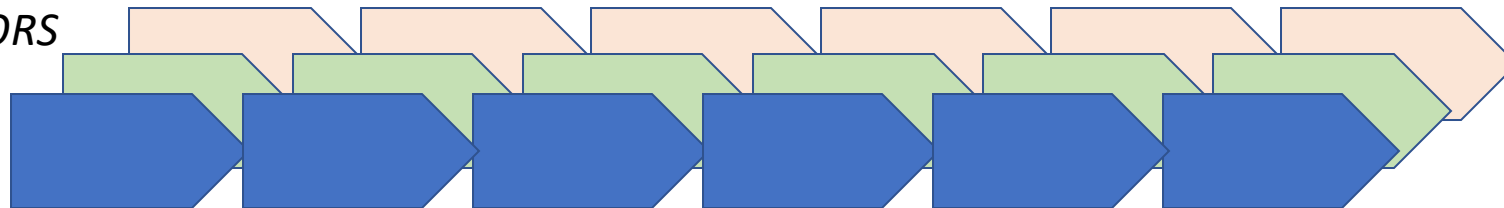
Whole System Approach: a regulatory perspective on sector integration

Luca Lo Schiavo
ARERA – Italian Regulatory Authority
for Energy and Environment
Dep't Energy Infrastructure Regulation
7 October 2020

Layer 3: cross-systems-approach

More sectors, regulatory focus on «whole energy» across several sectors

*INCLUDING ADDITIONAL SECTORS
may require coordination
among sectoral regulators*



Layer 2: whole-chain-approach

both network operators and market parties, regulatory focus on the entire system chain for a single sector

Source

CEER Paper on Whole System Approaches

Distribution Systems Working Group

Ref: C19-DS-58-03

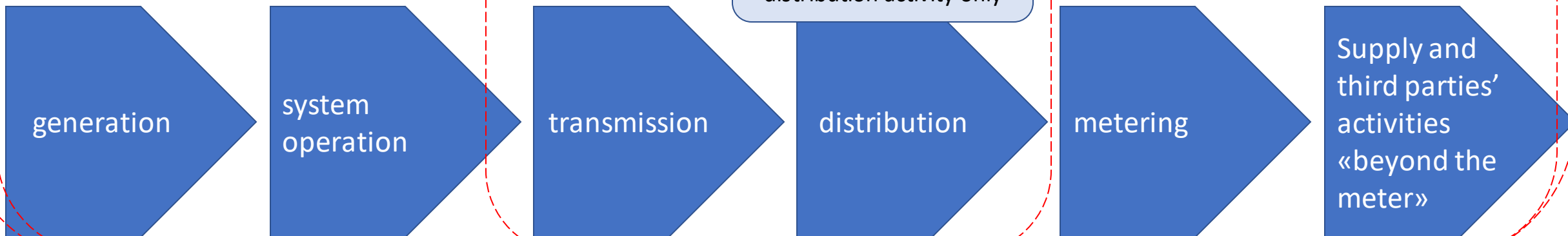
30 June 2020

www.ceer.eu/1913

SYSTEM CHAIN (ELECTRICITY or GAS)

Layer 1: whole-network-approach
more network operators, main focus of
regulation on better network activities

Basic layer (no WSA):
DSO regulation focuses on
distribution activity only



REGULATORY INITIATIVES WITH WHOLE SYSTEM APPROACH

- **Innovation: pilot projects and pilot regulations**
e.g. Pilot projects for P2X (consultation phase)
www.arera.it/allegati/docs/20/039-20.pdf
e.g. Pilot regulation for aggregation of distributed resources (trial)
www.arera.it/allegati/docs/20/321-20.pdf
- **Cost Benefit Analysis: joint scenarios (electricity – gas – other fuels)**
e.g. Analysis of energy infrastructure development in Sardinia
www.arera.it/it/operatori/Sardegna_RSE.htm
- **Incentive Regulation**
e.g. digitalization and synergies among different public services
www.arera.it/allegati/docs/19/005-19dieu_elaborato.pdf