

CEER Citizens' Q&A

CEER Paper on Regulatory Issues Related to the 'Delta In-Out' in Distribution Networks

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1 What is $\Delta in-out$?

The Delta In-Out represents a difference observed when comparing the measurements at the intake points with the sum of downstream measurements of final customers' off-take points, within a certain period.

The intake points correspond to the city-gates, which are the interface point of a typical gas distribution network, connected to a transmission network and/or another distribution network, and the local production of renewable gases that is nowadays directly injected into the distribution network.

2 What does the report propose for $\Delta in-out$?

Through the observation of best practices, some recommendations are listed, aimed at physically reducing the $\Delta in-out$ effect or at adopting regulatory tools to minimise the $\Delta in-out$ possible negative effect on the market.

3 How does it Work?

With this paper, CEER aims to reach a deeper knowledge of the $\Delta in-out$ problem, creating a common understanding at the European level, notwithstanding the different features of distribution networks.

The analysis is performed both through a theoretical approach and empirical observations performed through a survey in the Member States.

4 What is the impact on energy customers?

Following best practices can ultimately reduce supply costs to final customers. Indeed, at the wholesale level (when calculating the balancing position) $\Delta in-out$ can have a negative effect on the market: the gas necessary to balance the network might create undue commercial risk for network users or decrease the efficiency of TSO balancing actions. These inefficient costs are normally taken into account when gas is offered to final customers, and therefore they should be minimised.