

ELECTRICITY & NATURAL GAS

Closed distribution system

If you operate as a designated electricity or gas distribution system operator (DSO) in the geographically limited area of a single industrial plant, commercial facility or shared services site and meet the statutory prerequisites, the closed distribution system concept may be worth considering.

The President of the Energy Regulatory Office, through an administrative decision, may recognize a particular electricity or gas distribution system, with up to 100 connected household customers of gaseous fuels or electricity, as a closed distribution system, provided it meets the following criteria:

- taking into account the entire scope of the business, the processes of operation or production carried out by users of the system are integrated with each other (technical or safety aspects);
- or at least 50% of the distributed volume of electricity or natural gas is consumed by the network owner, system operator or their affiliated companies.

In addition, it has to be located within the geographically limited area of a single industrial plant, commercial facility or shared services site.

ADVANTAGES?

The decision to close the distribution system, subject to additional conditions, may exempt the DSO from the obligation to submit a distribution tariff for approval and to prepare development plans for meeting present and prospective demand for gaseous fuels or electricity.

**Are you interested in this topic?
Feel free to contact us.**

CONTACT

Marek Grzywacz, Ph.D., Counsel
marek.grzywacz@ngllegal.com

Paulina Harhaj, Junior Associate
paulina.harhaj@ngllegal.com