



Bundesnetzagentur

# Scientific Conference "Efficiency Benchmarking"

Bonn, 24.09.2024



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- The WebEx camera is running in the room.
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- WebEx: We will not use the Chat function of WebEx
- WebEx: "Raise your hand" before speaking
- All contributions will be taken into account, but may not all discussed here
- All attendees: Please state your name & institution before speaking
- Conference should have an academic character, please refrain from opinions or examples with anecdotal evidence

# Agenda



1. Welcome / Opening Remarks
2. Session 1 – Review & Experiences
3. Session 2 – State of the art in efficiency measurement
4. Session 3 – Improvements for prospective application
5. Final discussion

## Schedule

09:30 - 09:45

### Registration/ Welcome

10:00 - 10:15

1

Introduction

BNetzA

### Session 1 - Review & Experiences

10:15 - 10:45

2

Experiences and lessons learned

Urs Trinkner/ Patrick Peichert

Swiss Economics/ Frontier Economics

10:45 - 11:15

3

Industry's perspective

Stephan Vaterlaus

Polynomics AG

11:15 - 11:45

Discussion

### Session 2 - State of the art in efficiency measurement

11:45 - 12:15

4

Outliers and Data Envelopment Analysis

Andreas Behr

Universität Duisburg-Essen

12:15 - 12:45

5

Applicability for regulatory practice

Per Agrell

Sumicsid/ Université Catholique de Louvain

12:45 - 13:15

6

Energy transition: Future challenges for current benchmarking methods

Stephan Schmitt

Frontier Economics

13:15 - 14:30

Lunch break

### Session 3 - Improvements for prospective application

14:30 - 15:00

7

Possibilities in process standardization

Christopher Frank Parmeter

Miami Herbert Business School

15:00 - 15:30

8

New Developments in benchmarking techniques

Mark Andor

RWI-Essen

15:30 - 16:00

Discussion

16:00 - 16:15

Coffee break

### Final discussion/ Roundup

16:15 - 17:00

Discussion: Chances for simplification

Goodbye

# Opening remarks



## Why we are here

- The ruling of the European Court of Justice (ECJ) from 2.9.2021 (C-718/18)
- ARegV will no longer be used
- Opportunity to review the existing regulatory system – today the “Efficiency Benchmarking”
- Evaluation and further development of efficiency benchmarking is necessary

## Team (in alphabetical order)

- Bourwieg, Karsten
- Heimann, Ursula
- Naas, Roland
- Scheffler, Raimund
- Schütte, Christian
- Westermann, Michael
- Zerres, Achim



## What we did

- 2 Methods: DEA (with crs); SFA
- Different functional forms (SFA)
  - Electricity-DSO: normed-linear
  - Gas-DSO: translog
- 2 Cost aggregates: TOTEX + sTOTEX
- Outlier detection:
  - Dominance criterion, Superefficiency (DEA)
  - Cook's distance (OLS before SFA)
- Minimum efficiency: 60%
- Best-of-4
  
- Before we have a efficiency-model
  - Check data
  - Cost-driver analysis





## What we want - input

- Which method is the best “efficiency benchmarking”-method?
- New methods – new problems?
- Which method can best be used in practice?
- Do we need a new procedure of outlier detection?
- Is best-of-4 or best-of still appropriate?
- What can be done to simplify the process?
- New system must stand up in court



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