



Mr. Daniel DOBBENI  
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Brussels, 5 June 2012

**Re: DSO Concerns with Implementation of Network Code ‘Requirements for Generators’**

Dear Mr. Dobbeni,

Over the last year our experts have participated in numerous meetings with ENTSO-E in order to shape the future “Requirements for all Generators”. During the recently completed public consultation, we submitted more than one hundred amendments. The drafting of this document is nearing an end and it will be submitted to ACER by the end of June.

Our experts commented on successive proposals and continue to do so through DSO Expert group meetings and User group meetings. The text has been improved in many aspects. We appreciate the simplification of operational notification procedures for small generators, and certain simplification of the requirements for very small generators. The ability to set requirements at a national level in many cases and the national flexibility on retrospective application are also very welcome. We are also aware that the ENTSO-E drafting team acknowledges the importance of type testing as a suitable tool for assessment of compliance for small installations. The procedures and schemes TSOs are accustomed to using for large generators need to be adjusted to the numerous small and medium size generating units that nowadays represent the majority of the new power connected to the system at the distribution level. The opposite would lead to restriction of access for renewable energy sources and unnecessary increases of operational costs.

In spite of all these welcome improvements we remain concerned with the following points of this code (we refer to the latest working draft dated 27 April) and the foreseen future codes:

**Missing cost-benefit analysis for new requirements**

A survey run by the ENTSO-E drafting team demonstrated that several network code requirements substantially deviate from the existing national requirements. We are still missing the cost benefit evaluation required by the ACER Framework Guidelines that would demonstrate adequacy of those requirements at the European level.

No case histories or real life examples have ever been provided that would facilitate assessing the consistency and the extent of problems the new requirements are expected to prevent or diminish. Imposing added costs on generation projects only on the basis of alleged effects is not appropriate.

The relevant cost-benefit analysis must be conducted. It should include assessment of alternative technical strategies and take into account costs incurred on distribution networks. We believe these analyses must recognize that in some areas there is no case for an overall EU approach and that national arrangements should prevail.

**Allocation of responsibilities among stakeholders** The relevance of several requirements applicable to network users is directly linked to the performance of the relevant TSO. For example, escalation of a local incident to a large scale cross-border incident is not only dependent on the generating units' capabilities to support voltage management or fault ride through but also on the robustness of the transmission network and its performance.

The value of the requirements imposed on generators cannot be assessed without explicitly describing the network adequacy necessary to prevent such events and the robustness of the defence strategy to limit their consequences.

We strongly advocate that requirements should be backed up by a clear description of the TSO commitment to both adequate network development and robust defence strategy.

### **The 'responsibility gap'**

Requirements expressed beyond the connection point may be technically sound and useful for type testing of components. However, as currently proposed, they are likely to raise contractual or even legal disputes as the draft network code leaves a liability gap between the generating unit and the connection point. DSOs cannot be responsible for any compliance issues arising from network between the connection point and Generating Unit. Also the recently introduced "Module" concept is very confusing in our opinion and does not settle this issue. In addition to the legal drafting, as an aid to stakeholder education and understanding we believe ENTSO-E should publish an accompanying document that shows diagrammatically the relation between unit, module and facility.

We strongly call for removal of any kind of ambiguities in the code that might lead to legal misinterpretation. The requirements must be defined at the connection point to the relevant distribution or transmission network that represents the legal and contractual responsibility border between the network operator and respective grid user.

### **Compliance and standardization**

As mentioned above, third party certification by accredited bodies in our view represents the way to guarantee the effectiveness of compliance towards requirements. Type testing must be used as the sole compliance method for small installations (of Type A in particular). However, the code still does not properly deal with this issue.

Many of the requirements of the draft code are not presently backed up by European standards that would provide the necessary tools for type testing and compliance monitoring. The standardization process for distributed generation unit is still on-going in CENELEC (TC8X WG03). Type testing using CE marking is not an option since it presently covers only compliance with electric safety and/or electromagnetic compatibility.

We strongly advocate that in order to guarantee proper functioning of the system, only test laboratories accredited according to EN 17025 and certification bodies accredited according to EN 45011 should be recognized as authorized certifiers.

Standardization process is thus the most efficient strategy to achieve a step by step harmonisation of grid connection requirements at the distribution level, for both generators and 'smart' consumers (with respect to demand side response discussed in the context of Demand connection code).

All in all, we believe that the 'Requirements for all generators' in its current form would be difficult to enforce, including the risk of disputes with network users.

The above mentioned concerns enhance our general conviction that the network codes for grid connection should focus on the key subset of requirements that are vital to achieve the internal electricity market completion, security of supply and renewables integration, and that are limited to only cross border issues. In many aspects there is no compelling universal requirement, but rather a common need to ensure that national rules are complementary to the objectives of the third package.

We re-iterate our position, namely that a cross border effect should strictly be understood as a characteristic of a network or connected component, that allows a common mode action or reaction to a grid disturbance to propagate across borders to a significant part of the total system, affecting that fraction in an important way. DSOs recognize on the one hand the cross border importance of frequency management, but on the other hand do not see the need for detailed requirements in this network code on voltage management.

Grid codes must set the necessary technical requirements upon which market solutions can be developed, and avoid possible conflicts between technical necessities and emerging market solutions.

Furthermore, we believe that the emerging contributions of DSOs towards the system cannot be ignored. With the connection of generation and the deployment of demand flexibility tools, more active network management will be required in distribution networks. Some technical solutions are in a testing or demonstration phase and are subject to assessment. Others are being deployed. DSOs should be the network operators responsible for deciding on usage of such capabilities. The possible implications of this evolution have not been properly considered in the current version of this network code and seem scarcely to have been taken on board in the first discussions on the network code for demand connection.

Our organisations remain at your disposal to discuss these points in further detail and look forward to hearing from you.

Yours sincerely,



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