Network Code Development

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entsoe
Reliable Sustainable Connected

Topics

Network Code Development Process

- Regulation (EC) 714/2009
- EC/ACER/ENTSO-E work program
- Consultation Process

Timeline NC development

- Pilot process
- Formal period
- Next steps

Network Code Development Process

Background Regulation (EC) 714/2009

Why European Network Codes?

The development of *European wide Network Codes* in various domains by

- bringing together the expertise of diverse stakeholders
- in an open and transparent process
- creating a coherent approach on common issues

is a crucial enabler of *Europe's Energy goals* in

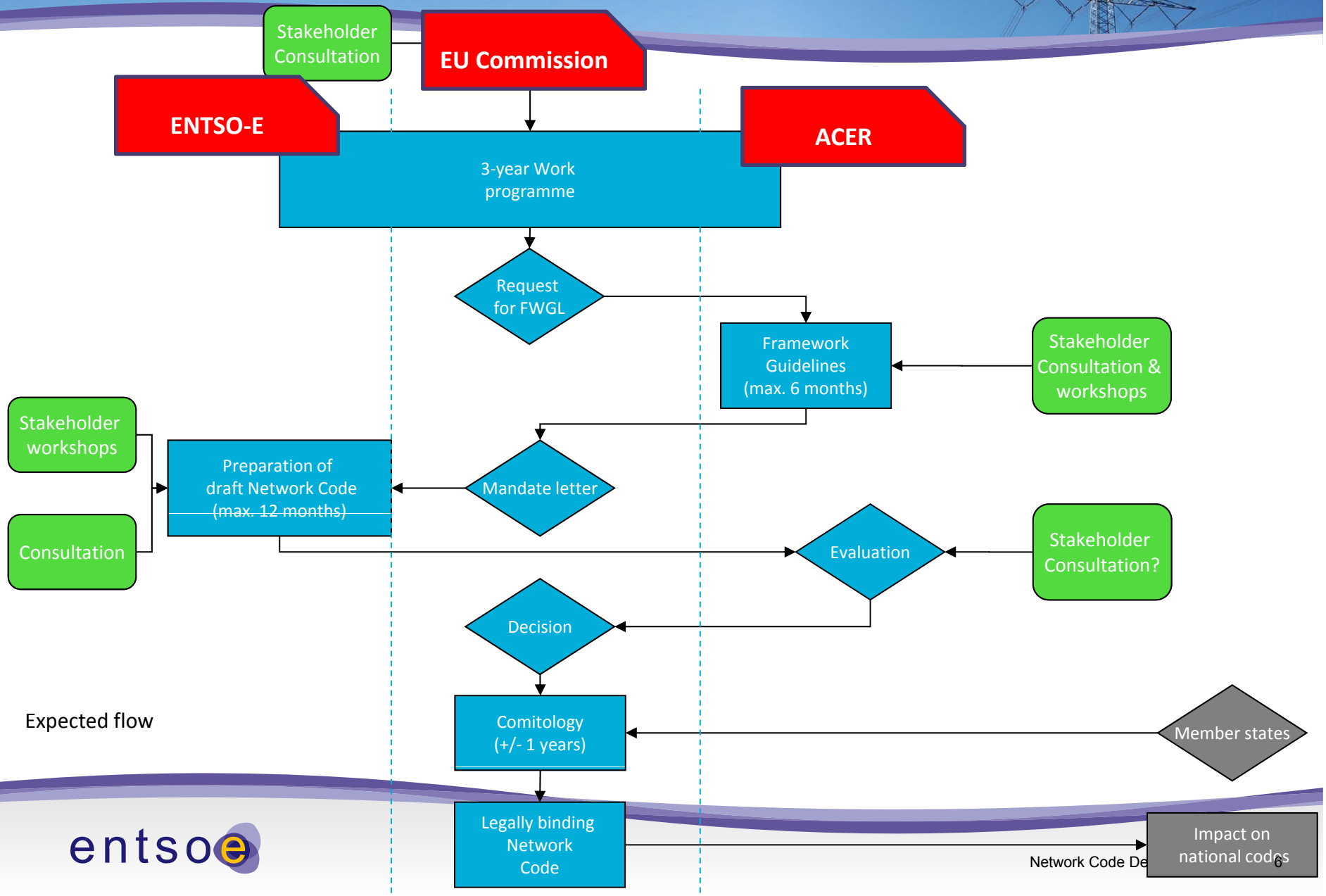
- increasing the amount of renewables
- guaranteeing an adequate Security of Supply
- contributing to an Internal Energy Market

Article 8 – Tasks of ENTSO-E

6. "The network codes … cover the following areas, taking into account, if appropriate, regional specificities:"

- ***a. network security and reliability rules incl. rules for technical transmission reserve capacity for operational network security;***
- ***b. network connection rules;***
- *c. third-party access rules;*
- *d. data exchange and settlement rules;*
- *e. interoperability rules;*
- ***f. operational procedures in an emergency;***
- ***g. capacity-allocation and congestion-management rules;***
- *h. rules for trading related to technical and operational provision of network access services and system balancing;*
- *i. transparency rules;*
- *j. balancing rules incl. network-related reserve power rules;*
- *k. rules regarding harmonised transmission tariff structures incl. locational signals and inter-transmission system operator compensation rules; and*
- *l. energy efficiency regarding electricity networks.*

General Framework - Regulation 714/2009



Expected flow

General Framework - Regulation 714/2009

Article 8 (cont.)

*7. "The network codes shall be developed for **cross-border network issues** and **market integration issues** and shall be without prejudice to the Member States' right to establish national network codes which do not affect cross-border trade."*

Article 10 – Consultations

*1. "… While preparing the network codes … ENTSO for Electricity shall conduct an **extensive consultation process, at an early stage and in an open and transparent manner**, …, in accordance with the rules of procedure referred to in Article 5(1). .."*

*2. "**All documents and minutes of meetings** related to the consultations referred to in paragraph 1 shall be made **public**"*

*3. " …ENTSO for Electricity shall indicate how the observations received during the consultation have been taken into consideration. It shall provide **reasons where observations have not been taken into account***

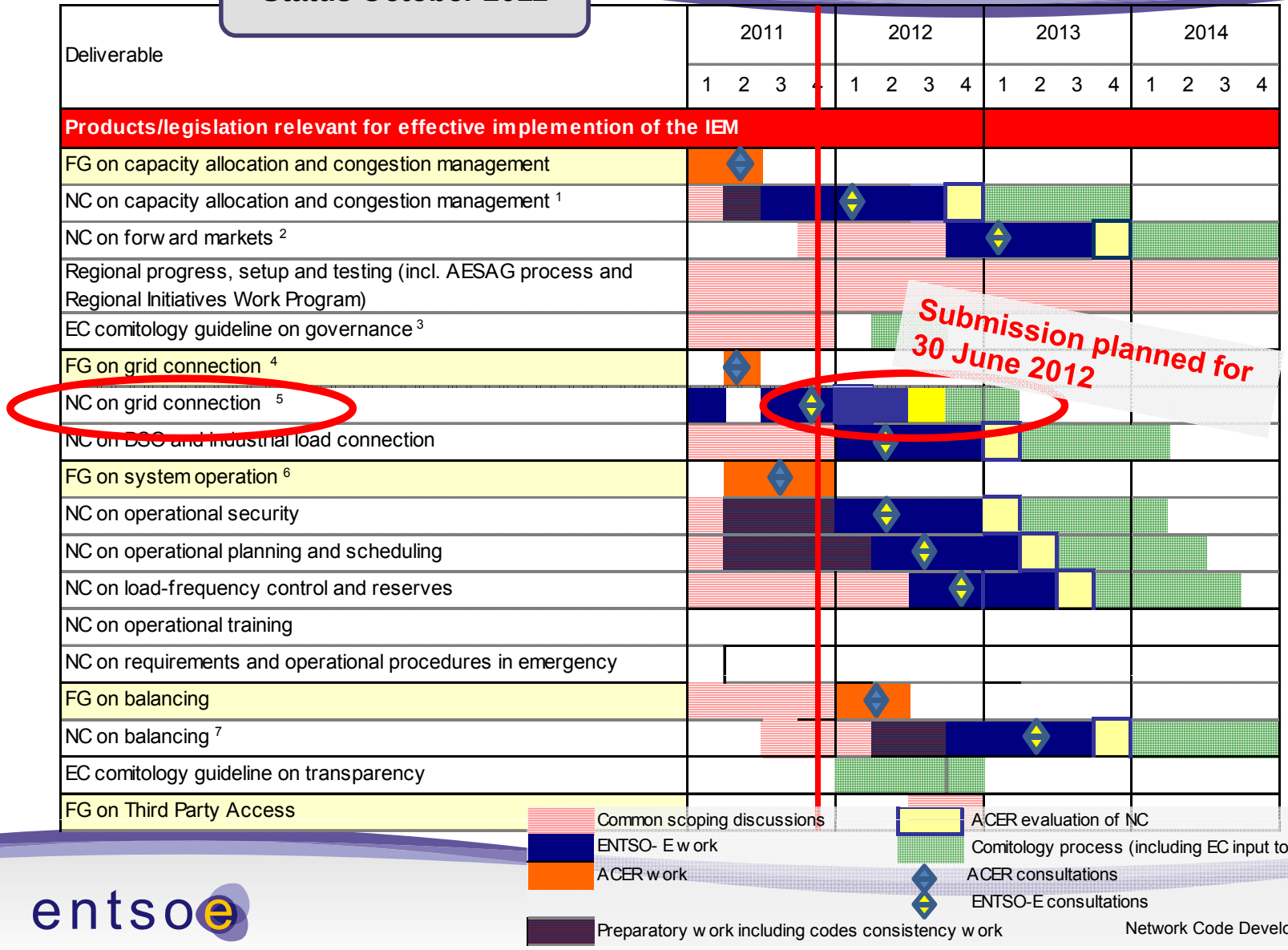
Prioritization of Network Codes

12 domains in (EC) 714/2009 → Framework guidelines → ENTSO-E code development → ACER evaluation → Comitology

- **Discussed in the Florence Forum with all stakeholders**
- **Regularly discussed by EC / ACER / ENTSO-E**
- **Resulting in a three-year work program**
  - ***High priority***: Listing all Network Codes that are to be finalized by 2014 (creation of the European internal energy market)
  - ***Low priority***: timeline to be discussed
  - Under public consultation by EC (April 2011): http://ec.europa.eu/energy/international/consultations/20110410_external_dimension_en.htm

EC / ACER / ENTSO-E high priority list

Status October 2011



ENTSO-E Consultation process

When?

- Network Code development
- Annual Work Program
- Ten Year Network Development Plan

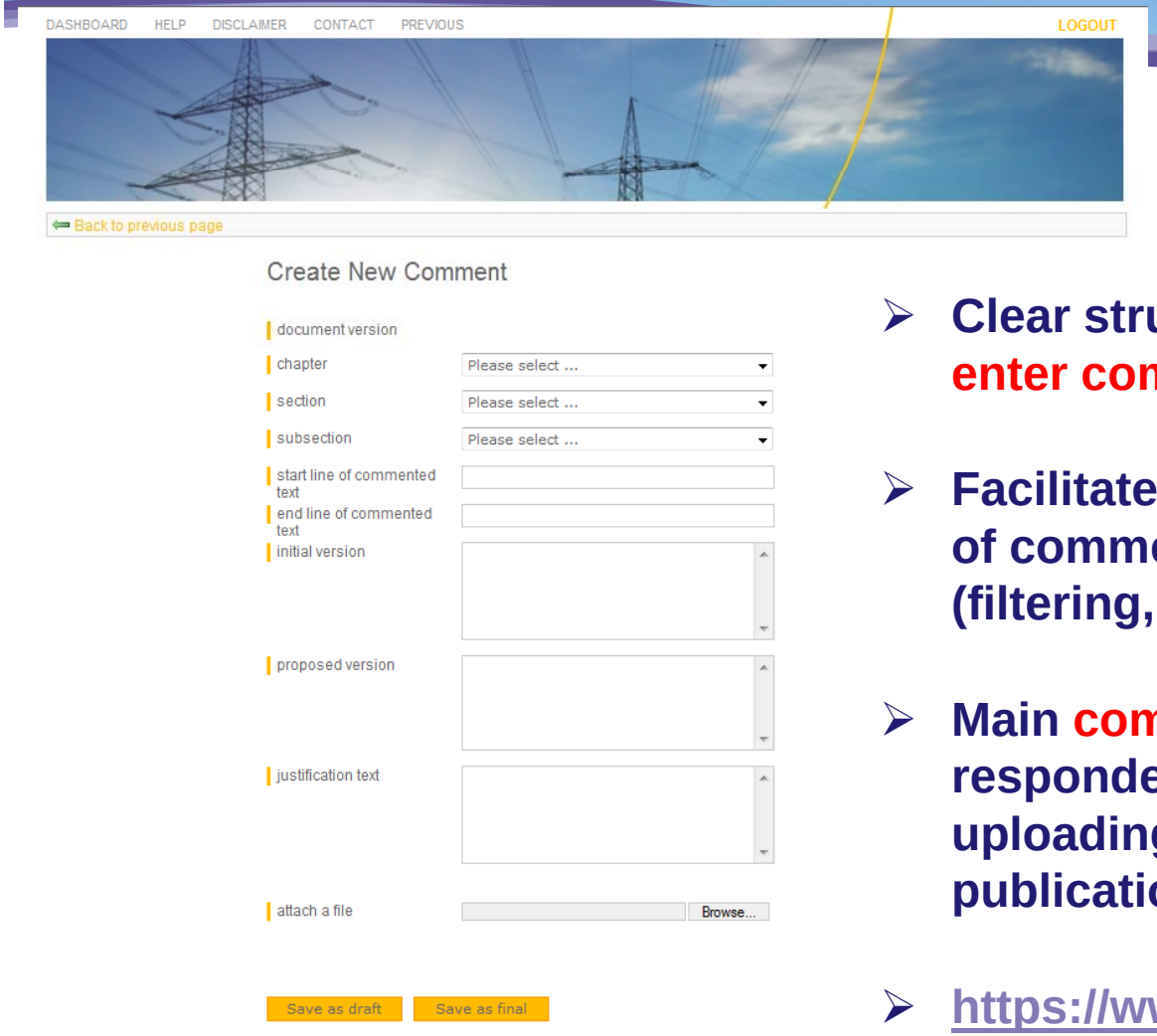
Public Consultation Process

- All (non-confidential) responses received to formal consultations and the total number of responses received will be made public. Note: In case of NC: all comments are treated as non-confidential
- The final ENTSO-E position following the consultation including an evaluation of the responses received explaining the reasons why comments have or have not been taken into account, in accordance with Article 10(3) of the Regulation, will be made public

Tool?

- Web consultation tool to facilitate submission, review and publication of comments
- https://www.entsoe.eu/consultations/

ENTSO-E web consultation tool



- **Clear structure for respondents to enter comments**
- **Facilitates handling of a large number of comments by ENTSO-E reviewers (filtering, assigning, cross-checking)**
- **Main communication tool to respondents: sending of notifications, uploading additional information, publication of comments and review**
- **https://www.entsoe.eu/consultations/**

Comitology background

Comitology definition

- System where the European Commission is delegated by the European Parliament and the Council the power to adopt detailed implementing measures.
- The EC must act in conjunction with committees of representatives of member states.

Network Code for Generators follows 'old' Comitology rules

- Regulatory Procedure with Scrutiny: The Council and the Parliament have a direct right of scrutiny over the Commission.
- Limited grounds for opposition

New comitology regime

- "Delegated acts" under the Treaty of Lisbon
- Unlimited ground for opposition
- Right of revocation by Council and Parliament
- Transitory period for until the end of 2014

Network Code on Connection Requirements applicable to all Generators

Timeline

Starting point

ENTSO-E has identified in 2009 wind connection as the most prominent topic for a rapid introduction of network codes

- Based on ERGEG's framework guideline on grid connection
- With the strong support of the EC and the Florence Forum

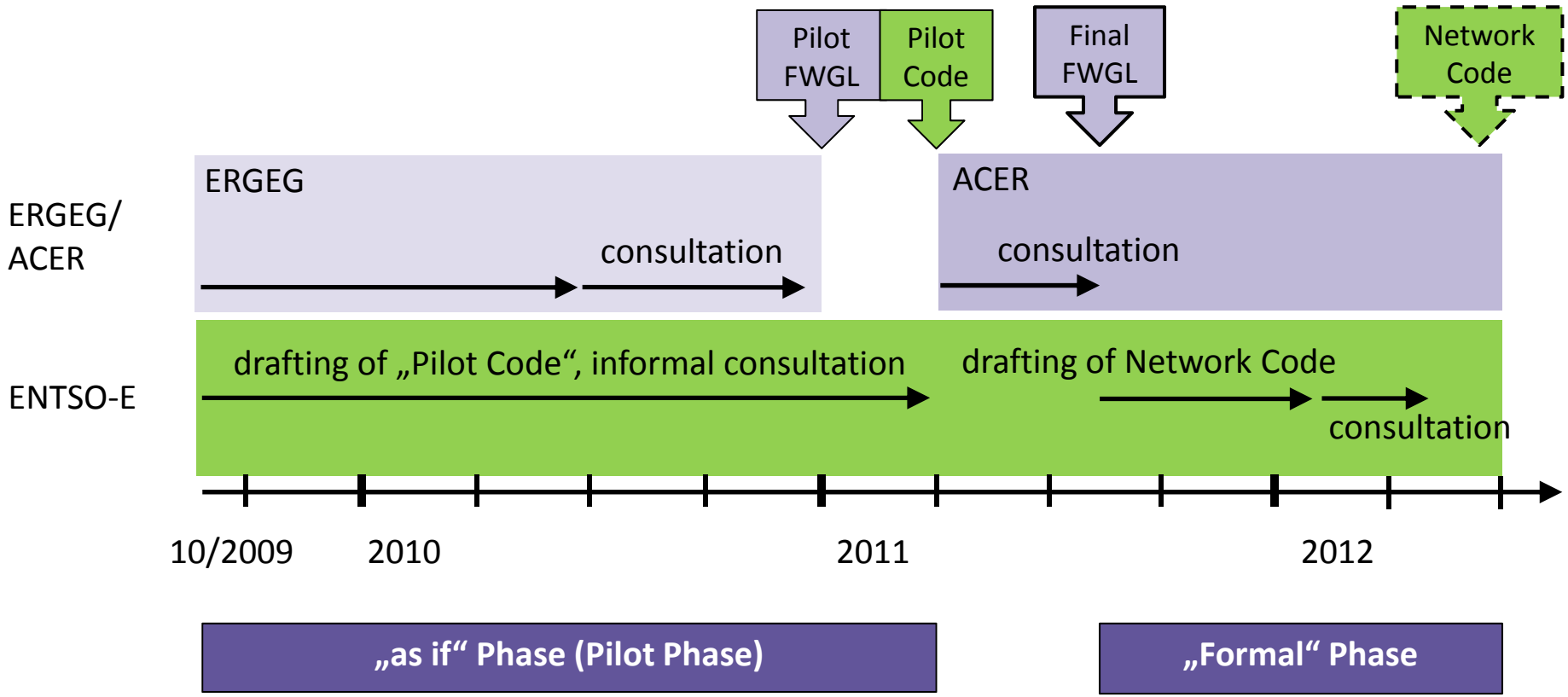
Objectives

- Enable **EU energy and climate policies** while securing **reliability of the power system**
- Facilitate adoption of best practices
- Reduce development and investment costs
- Harmonize structure and technical contents of national codes

Pilot process

- Scope generalized to all types of generation connection
- Parallel development of code (ENTSO-E) and framework guidelines (ERGEG) to develop the process
- Ending in March 2011 with the entry into force of 3rd Energy Package

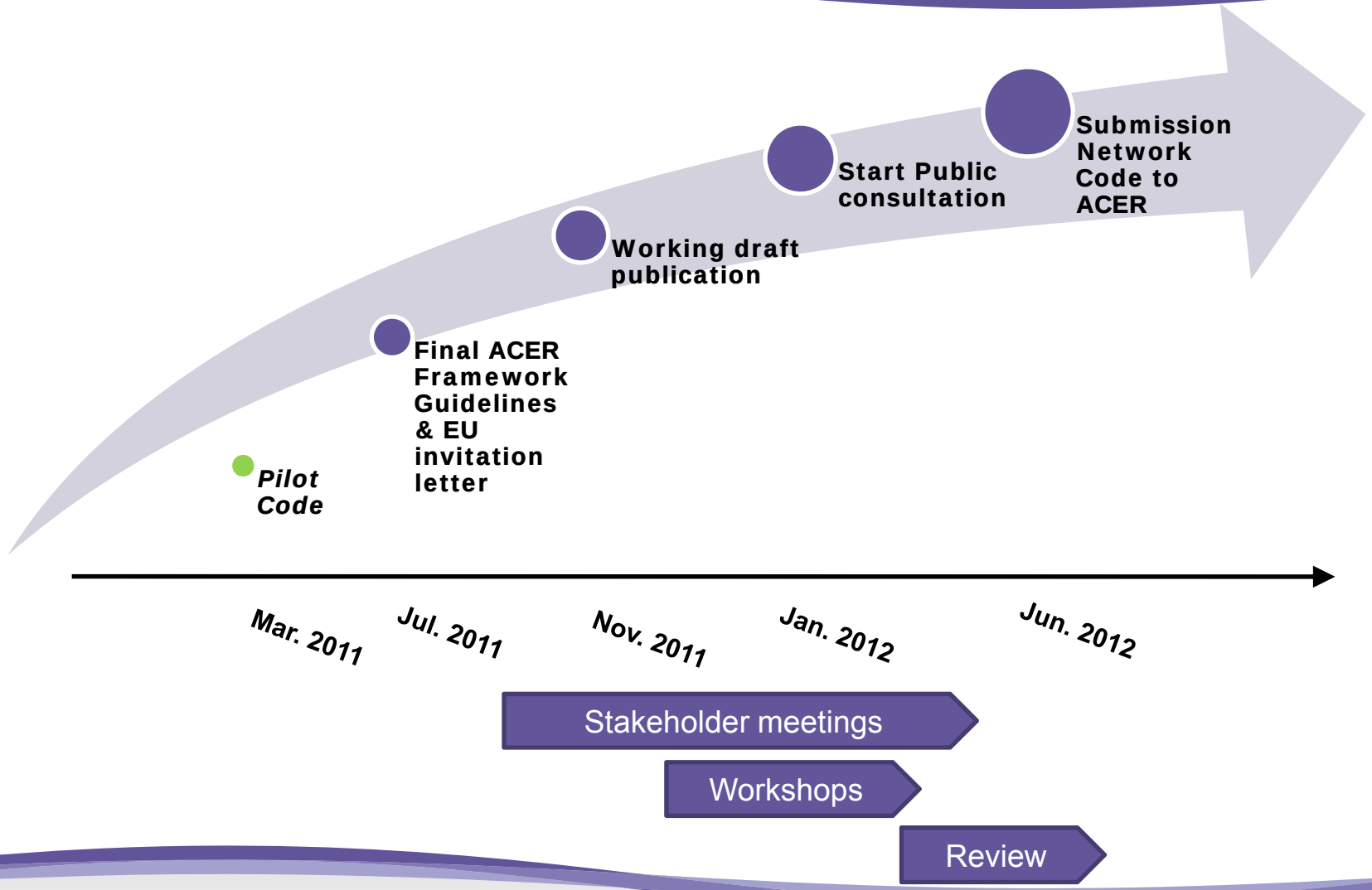
Pilot process versus formal process



Pilot process

- Mid 2009: **ENTSO-E established a Drafting Team** for Development of a Network Code on Grid Connection of Generators
- September 2009: ERGEG launched **an Initial Impact Assessment** for a FWGL on Grid Connection
- On March 29th 2010 the EC invited ERGEG to draft a **pilot framework guideline** on electricity grid connection
- ERGEG released on July 12th 2010 the **draft FWGL**
- ERGEG released on December 07th 2010 the **final FWGL**
- ENTSO-E released **Pilot Code** on March 22nd 2011
- ENTSO-E engaged in an **extensive interaction with stakeholders** (EWEA, Eurelectric (WG Thermal), DSO Associations (Eurelectric (WG Networks), GEODE, CEDEC), Manufacturers), and ERGEG.
  - 1st public stakeholder workshop in April 2010
  - 2nd public stakeholder workshop in November 2010
  - about 12 stakeholder dialogue meetings
- ENTSO-E published **assessment of stakeholder comments** and an FAQ on July 11th 2011

Formal Network Code process



Stakeholder interaction

Public ENTSO-E workshops

- May 2010
- November 2010
- December 2011 (regional workshops)
- ***15 February 2012***

National level (TSO initiative)

- User groups
- Seminars, …

Bilateral meetings

DSO associations
- CEDEC
- Eurelectric DSO
- Geode

Industrial customers
- IFIEC

Manufacturers & Generators
- EWEA
- EPIA
- EUTurbines
- EUR
- Eurelectric WG Thermal / VGB

Status and next steps

- Working document published on 2 November 2011
- Ongoing bilateral meetings with stakeholders to further develop the draft code

- **Next steps**
  - **Public consultation (two months) starts end of January 2012**
    - ***Publication of updated draft code***
    - ***Publication of FAQs with technical motivation of the code requirements***
    - ***Publication of an explanatory note on the approach taken***
  - **Public workshop on 15 February 2012 in Brussels**
  - **ENTSO-E review of all comments, response and adaptation fo the code where needed in Q2/2012**

Conclusions

- **The European power system is changing fast and significantly to achieve energy and climate objectives**
- **Grid connection codes are urgently needed to enable these policies in order to maintain security of supply at least cost for European citizens**
- **ENTSO-E's neutrality and expertise garanties the process**
- **Strong involvement of stakeholders, and in particular DSOs, are absolute prerequisites**
- **Consultation is ongoing; ENTSO-E is listening in pursuit of the best solutions acceptable by all**

Thank you for your attention!

Questions?

Key documents

- **Latest working draft document -** https://www.entsoe.eu/media/news/newssingleview/browse/1/article/working-draft-network-code-on-connection-requirements-applicable-to-all-generators-updated/
- **Web consultation tool -** https://www.entsoe.eu/consultations/
- **ENTSO-E Network Code updates -** https://www.entsoe.eu/resources/network-codes/nc-rfg/