

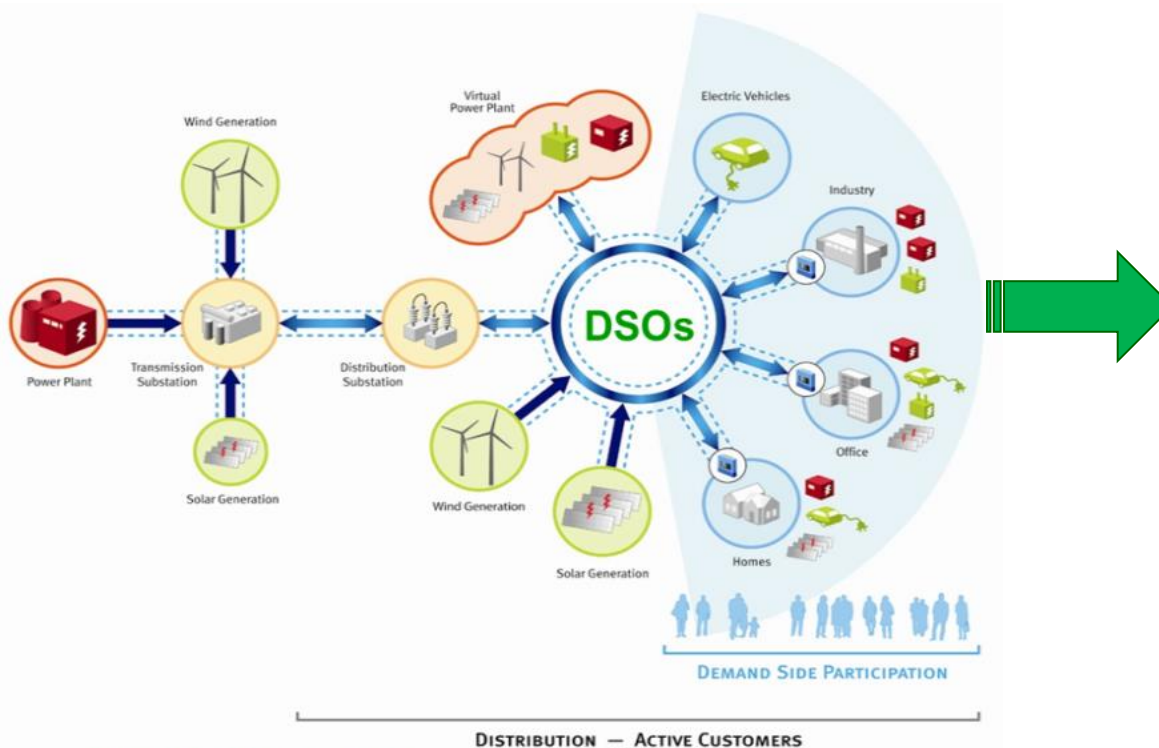
Network Code on Electricity Balancing

Preliminary DSO Associations' views on the version 1.22 of 29 May 2013

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Operation Codes**

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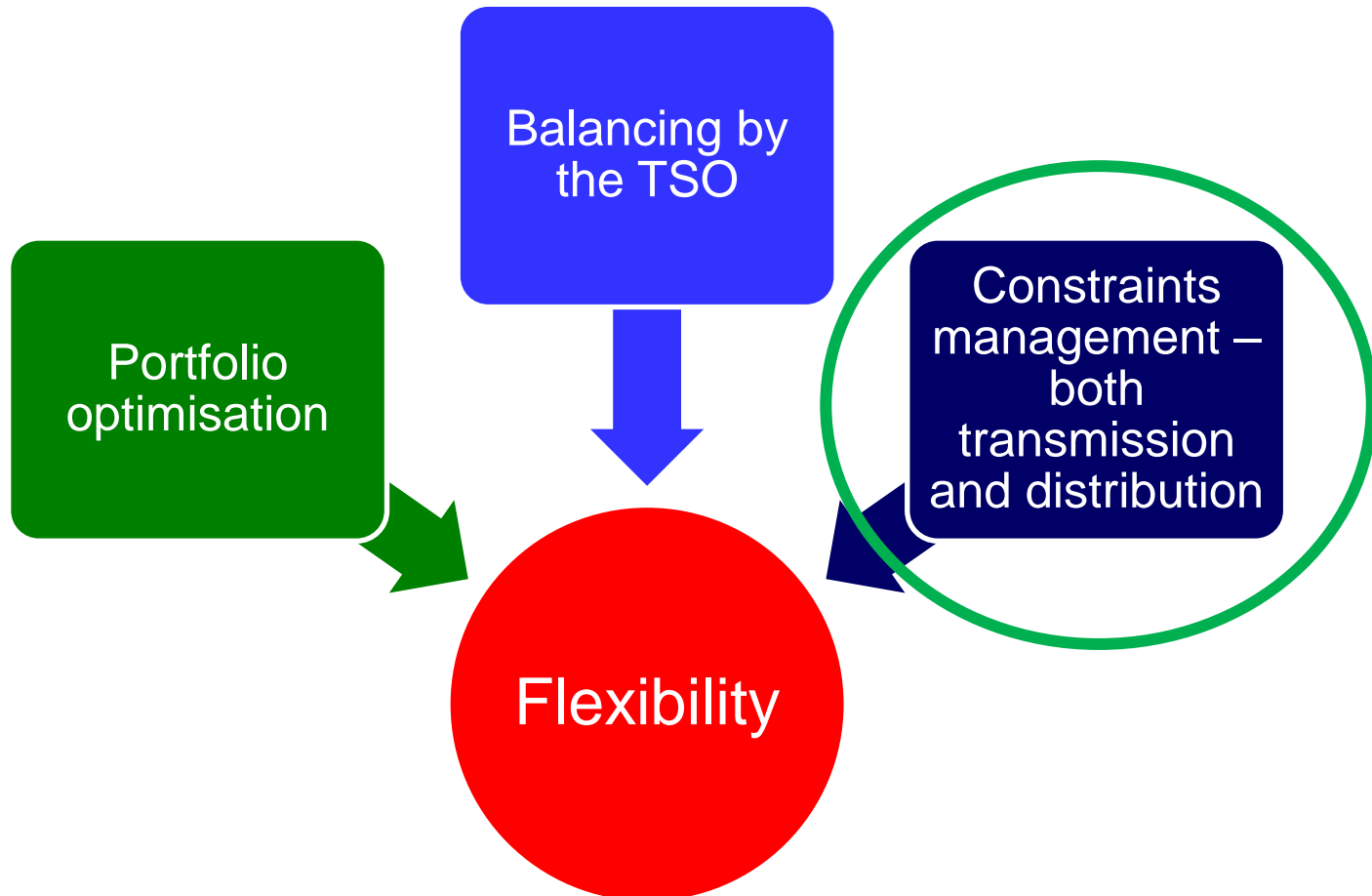
With decentralization of the power system, distribution NETWORKS are becoming SYSTEMS



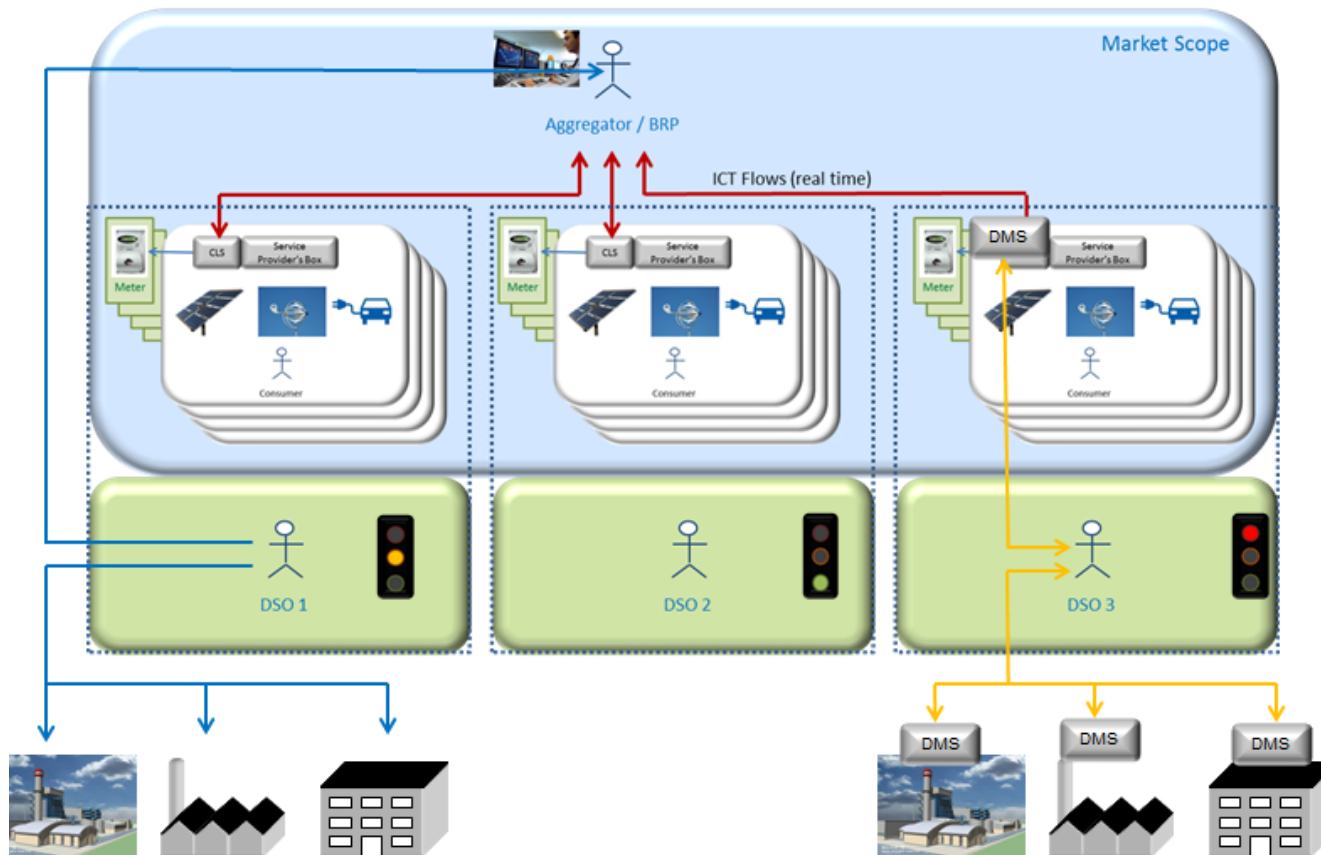
- ✓ Ensuring the security of their system and the quality of service
- ✓ Market facilitation
- ✓ Transparent & non-discriminatory access

Source: EURELECTRIC 10 Steps to Smart Grids

Access of aggregation to the balancing market is one of the possible uses of aggregated flexibility

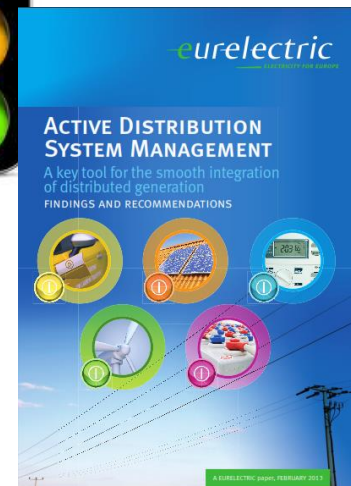


Explore synergies between different uses of aggregated flexibility



Source: EURELECTRIC

DSO Constraints Management with the 'Traffic lights approach'



Consider diversity of European DSOs



Source: EURELECTRIC

Technical capabilities should be respected

Main issues in the code from DSO perspective

1. Information
exchange

2. Constraint
management &
cost recovery

3. Terms and
conditions

4. Imbalance
Settlement
Period

Information exchange

- The code allows the DSO to inform TSO about constraints in its grid (art. 12.2.b)
 - **1. DSO needs access to the relevant information from the bids in order to detect those constraints**
 - Operation schedules (as early as possible and at the latest at GCT)
 - Activations of units in congested zones
 - **2. Asking for ‘locational information’ in the standard product characteristics (art. 17.4.i) is important but insufficient**
 - Information on location of the connection of every unit within a bid, incl. the electrical node (in transmission or distribution network) is needed

Information exchange (ctnd)

→ **3. Available communication channels** should be used

- I.e. art. 16.6 should not be interpreted in a way that would lead to channels' duplication
- Make link to Operational Security NC that already outlines exchange of real-time, structural and scheduled data

Constraint Management (CM) & Cost Recovery

Congestion may arise when flexibility connected to distribution grids is activated

→ 1. The code should **explicitly acknowledge DSO right to access CM procedures** in order to avoid constraints in distribution networks

→ 2. It is up to the **NRAs to determine to whom the CM costs will be settled**

- art. 12.4 is in contradiction with tariffs as a subsidiarity issue (art. 4)

Terms & Conditions

ACER Framework Guidelines (2.3): *‘TSOs shall coordinate with other system operators (including ... DSOs...) when elaborating terms and conditions’*

- DSOs are included in the process of elaborating terms and conditions but too late (Art. 16.4)

→ For users connected to their networks,
DSOs need to be involved already in the framework for development of the terms and conditions
(i.e. art. 16.1)

Imbalance Settlement Period (ISP)

- If required upon the NRA's decision (art. 48.3), the relevant parties need to be granted **sufficient time to change IT-systems**
- Differentiate between
 - **(1) measurement resolution interval:** 15 min ok for some smart meters (other use e.g. one hour interval)
 - **(2) transfer of measurements interval:** where advance solutions are deployed, once per day (not every 15 min)

Conclusions

1. Explicitly allow for DSO access to relevant data...

2. ...and constraints management. Leave their cost recovery to NRAs

3. Include DSOs early enough in development of terms and conditions

4. Consider technical complexity, so allow for realistic implementation periods