DSO Associations Views on Network Code RfG in the Context of Issues Raised by ACER's Reasoned Opinion

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1. Significance of Grid Users can vary from one area to another considering both the technical parameter concerned and the structure of generation

- considering **FREQUENCY**, the relevant area is obviously a synchronous zone → the actual and projected level of penetration of very small and small generation should be taken into account in order to set the value that discriminates between significant and non-significant units

- considering **VOLTAGE** the relevant area should be defined
  - it is not a priori the synchronous area, it could be a national or regional area ➔ voltages are controlled locally

  and the significance is also be dependent on the level of penetration of a given type of generation

2. DSOs have provided their evaluation of requirements deviating from current practices and offer their cooperation in checking the justification

- DSOs can provide additional elements concerning FRT especially in assessing the magnitude of expected consequences of generation loss due to voltage dip with/without FRT compliant units

3. Clear interpretation of the code & systematic oversight are necessary

- Network operators should be under proper regulatory oversight
- Appropriate technical standards should be followed

4. Cost recovery: do not leave DSOs with a number of new obligations without the relevant means to pay for them

- In the context of already high pressures on network costs due to major investments needed at distribution level …

- …the RfG network code as well as other network codes on grid connection and system operation imply further costs for DSOs: new and increased requirements lead to added capital expenditure (i.e. reactive power management) and high administrative costs (i.e. compliance monitoring)

- Recovery of reasonable and proportionate costs in a timely manner via network tariffs is an absolute necessity for DSOs
  - Costs' assessment will have to be done at national level which provides room for further interpretation of admissible costs by NRA. Knowledge of costs will also allow for proper evaluation of new requirements (link with CBA).

Major concerns of DSOs that still require a solution

- The unsolved “responsibility gap” because of unclear determination of requirements a the connection point(s) will create uncertainties for grid users and leave final decisions to courts

- Same for missing link between functional requirements in the code and existing or necessary new standards

- Need of well defined compliance tests