


**ACER**

 Agency for the Cooperation  
of Energy Regulators

# **Requirement for Generators Network Code**

## **ACER opinion**

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**ENTSO-E RfG Info Session**

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# Summary

- **State of play – legislative framework**
- **ACER RfG opinion unpacked**
- **Next steps...**

## State of Play

- ACER opinion issued 13/10/12 recognising significant work to-date and calling for targeted improvements
- ENTSO-E engaged constructively with opinion looking to make these timely improvements and consulted stakeholders bilaterally, through the User Group and DSO expert group
- Today's public info session to disseminate amendments and their justification to all interested parties

# Legislative Framework

## Regulation (EC) 714/2009 – Article 6

The Commission shall request the ENTSO for Electricity to submit a network code which is **in line with the relevant framework guideline**, to the Agency within a reasonable period of time not exceeding 12 months.

Within a period of three months of the day of the receipt of a network code, during which the Agency may formally consult the relevant stakeholders, **the Agency shall provide a reasoned opinion** to the ENTSO for Electricity on the network code.

# Legislative Framework (cont)

The **ENTSO for Electricity** may amend the network code in the light of the opinion of the Agency and re-submit it to the Agency.

When **the Agency is satisfied that the network code is in line with the relevant framework guideline**, the Agency shall submit the network code to the Commission and may recommend that it be adopted within a reasonable time period.

# ACER: Importance of the RfG

- RfG Network Code is timely and important for:
  - Completion and well-functioning of the internal market;
  - Security of supply
  - Penetration of renewables
  - Delivery of benefits to customers.
- ACER hoped for a **focussed approach on specific amendments** to minimise delay and facilitated improvements on areas from the ACER opinion within a 'few months'

# RfG ACER Opinion - 4 priorities

## 1. Significance test to identify 'significant grid users'

- Graded approach with 800W threshold for Type A
- Agree with technology neutral approach
- Enhancement to take account of penetration level at synchronous area - e.g. Innovative technologies

# RfG ACER Opinion - 4 priorities

## 2. Justification of the significant deviations from existing standards and requirements

- Sizeable task – but reasonable to expect justification where non-exhaustive requirements introduced for the first time
- Voltage issues at distribution level (Type B FRT)
- CHP steam / heat
- Baselines, Cross-Border Impact & Cost-Effectiveness



## **RfG Opinion – 4 priority areas**

### **3. National scrutiny – Art 4(3)**

Applicability to all areas of NRA competence  
Unduly restrictive (Art 37 not 5)

### **4. Recovery of costs - Art 5**

Doesn't tally with Framework Guidelines  
Subsidiarity at MS level  
Need for Efficiency

# Requested change for compliance with the FGs

	<b>Significance definition</b>	<b>Justification</b>	<b>NRA role</b>	<b>Cost recovery</b>
<b>Divergence from FG</b>	Should cover generators with a cross-border effect	Extent of deviation not fully assessed, cost-benefit justification missing	Unclear drafting and lack of oversight in some areas	Lack of harmony with FWGs and third package as MS competence
<b>Benefits from improvement</b>	Innovative technologies not hindered – supports RES targets	Supports better understanding and possibly adjustment of requirements in specific areas	Systematic oversight avoids discrimination and self-regulation	Avoids unclear and inefficient cost recovery and cost allocation

## ACER: Targeted improvements

- Not 'open season' on the whole RfG given the significant endeavour and importance of the code
- 'The Agency emphasises that the contribution of data and information from stakeholders could facilitate and speed this process up significantly and calls on stakeholders to enhance the way in which they engage in this process'

## **ACER: Next Steps**

- **Formal resubmission by ENTSO-E**
- **ACER review by end of March and then will issue Opinion and recommendation**
- **Commission legal scrubbing**
- **Comitology (following Impact Assessment)**
- **Legally binding following entry into force**

**Thank you for your attention!**



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