



Promoting choice and value
for all gas and electricity customers

European Network Codes Requirements for Generators

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DECC-Ofgem Electricity Stakeholder
meeting

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Summary and Timeline

- **State of Play**
 - **ACER issued RfG opinion calling for improvements.**
 - **Next steps being discussed with ENTSO-E and Commission.**
- **Next steps**
 - **Opportunity for targeted improvements to the code.**
 - **Need stakeholders to engage positively and proactively.**
- **Timeline**
 - **20/7/11 ACER's Framework Guideline on Grid Connection**
 - **13/7/12 Network Code and Supporting Documentation submitted by ENTSO-E to ACER**
 - **3/9/12 ACER workshop**
 - **13/10/12 ACER opinion sent to ENTSO-E**
 - **30/10/12 ENTSO-E discuss next steps with ACER and Commission**

Legislative framework

Regulation (EC) 714/2009.

- Article 8:
 - 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.
 - 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 opinion - explained

RfG opinion issued by ACER on 13/10/12:

- Network Code is broadly in line with the Framework Guidelines and its objectives;
- ACER acknowledges the significant progress made by ENTSO-E when elaborating the NC;
- RfG Network Code is timely and important for completion and well-functioning of the internal market, including the delivery of benefits to customers.
- ACER hope for a focussed approach to minimise delay; we're looking for specific amendments to facilitate improvements on areas from the ACER opinion early next year (~6 rather than 12 mths)

ACER opinion – 4 priority issues

1. Significance test to identify 'significant grid users'

- 800W
- Penetration
- e.g. mCHP

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

- Huge task – general approach
- Type B fault ride through, CHP steam/heat
- Baselines, x-border impact
- Voltage issues at dist level

3. National scrutiny – Art 4(3)

4. Recovery of costs - Art 5

Benefits of more time for improvements

	Significance definition	Justification	NRA role	Cost recovery
Divergence from FG	Should cover relevant generators – but not all small ones	Extent of deviation not fully assessed, cost benefit justification missing	Unclear drafting and lack of oversight in some areas	Overlap with Third Package provisions and national legislation
Benefits from improvement	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

What do stakeholders hope to achieve?

Questions for Stakeholders

- **What worked well with Ofgem's engagement?**
How could this be improved?
- **Is the opinion clear?**
How could we improve the messaging / clarity for future opinions?

For more information on ENCs: contact
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