

Generic Issues Log, November 2014

Below is a list of generic issues, and implementation and application issues raised by GB stakeholders on the European Union Network Codes. This is a collection of issues that have been raised at general or code specific stakeholder meetings or workshops hosted by DECC and Ofgem, and also at Joint European Standing Group (JESG) meetings.

If you have any comments or questions on the issues listed below then please contact europencodes.electricity@nationalgrid.com for further details.

Issue No	Issue
1.	How do the Network Codes align with the individual Framework Guidelines?
2.	Concerns over the mechanism for the publication of data under REMIT
3.	The potential for different definitions of significant across Network Codes
4.	The implementation of the RfG could conflict with CACM as they are at different stages in the Network Codes process
5.	What is contribution of each Network Code to resolve issues? Need a strategic view of the Network Codes but not sure which is the best place to do this.
6.	How is consistency and interoperability being ensured across the Network Codes?
7.	Can the final Network Code to be produced be used to correct errors / inconsistencies in earlier Network Codes?
8.	What is the expected frequency for changes to the Network Codes once implemented? The minutes of the Operational Security Network Code Public Workshop (20/4/12) indicate that a 'frequency of 4-5 years' 'might be needed'.
9.	There should be a general clause in each of the Network Codes to require consultation and NRA approval for elements which are to be defined after the Network Code has entered in to force. Such a condition has been included in the CACM Network Code.
10.	The definition of TSOs in the Network Code may lead to ambiguity due to the certification of additional companies in GB as TSOs (e.g. Interconnectors and OFTOs)
11.	There are various data and information flows defined in various Network Codes which are not obviously consistent. This remains a major concern for the Industry due to changes to processes and infrastructure that will be required to provide this data.
12.	What happens when notifications are provided to the TSO / Relevant Network Operator. Does the TSO have a duty to act upon the notifications? What if they do not comply?
13.	The contractual / market impact of demand side response for domestic customers has not been considered. The DCC and LFR&C Network Codes both deal with capability without outlining how the market will work in practice. Who is the most appropriate part in the UK to have a relationship with the customer for demand side response.
14.	Supplier may be moved to an 'out of balance' position by demand actions taken by the Aggregator / DSO / TSO. This impact on the balancing arrangements will need to be considered.
15.	There are different definitions for 'Significant Grid User' in a number of the Network Codes, so the applicability of the Network Codes to individual users is not clear.
16.	If the term 'Transmission Connected' is used within the Network Codes this will led to discrepancies within Europe and within the UK, and there is no single voltage above which Networks are considered Transmission (e.g. within GB, Transmission in Scotland is at or above 132 kV, whilst in England and Wales it is at or above 275 kV)
17.	There are various different terminologies for geographic areas used in the Network Codes. It is not obvious what each definition refers to and this leads to confusion. Examples are bidding zone, control area, responsibility areas, observability area, LFC control area, member state etc.
18.	The Cost Benefit Analysis methodology considers socio-economic often on a pan-European basis. There is a concern this will lead to one member states constantly subsidising another member state, or one market party being unduly affected (such as GB merchant Interconnectors).

Issue No	Issue
19.	<p>Common definitions. A working group has been established by ENTSO-E to look at definitions across the Network Codes.</p> <p>It is understood that while common definitions are desirable the same term could be defined differently in different Network Codes. Consideration is to be given to the establishment of a separate cross-codes definitions document.</p>
20.	<p>Alignment of requirements and payment. There is a need to ensure that requirements specified in one Network Code, and the payment mechanisms outline in the Balancing Network Code are aligned so that services are delivered recompensed on the same timescales.</p>
21.	<p>Consideration by Ofgem to be made on whether to reconvene the former FUI (France-UK-Ireland) regulatory group, or potentially set up a new GB regulatory balancing group, as a means to engage with stakeholders.</p>

GB Application / Implementation Issues Log

Issue No	Issue	NGET View
1.	<p>Implementation: Can areas of the GB Network Code be changed to comply with the ENC's be modified through the normal GB governance arrangements, provided it does not affect compliance with the ENC's?</p>	<p>Governance arrangements of GB Codes are not expected to change by implementing the ENC's. However, GB must demonstrate compliance to the ENC's or risks being found in breach and fined.</p>
2.	<p>How do the definitions in the Transparency Regulation, expected to become law as an Annex to Regulation 714/2009 prior to any Network Code, interact with those in the Network Codes? Do the definitions in the Transparency Regulations have primacy over those in the Network Codes?</p>	<p>Once published in the OJEU, the definitions became law. The Transparency Regulation have been published are Regulation 543/2009 amending Annex I of Regulation 714/2009.</p> <p>The interaction of future definitions is not yet fully understood.</p>
3.	<p>How will the changes to the GB Framework be made as a result of the European Network Codes, for example, will existing structures (panels etc.) be used where possible, or will third package powers be used to make changes via the Secretary of State?</p>	<p>It is expected that existing standard Code Governance will be used where possible, however, Ofgem have powers to make changes to the GB Codes to ensure compliance with European legislation.</p>
4.	<p>Further details of the modification process for GB Codes as a result of the ENC's need to be defined, for example, how will raise modifications, can alternatives be proposed etc.</p>	<p>Noted.</p>