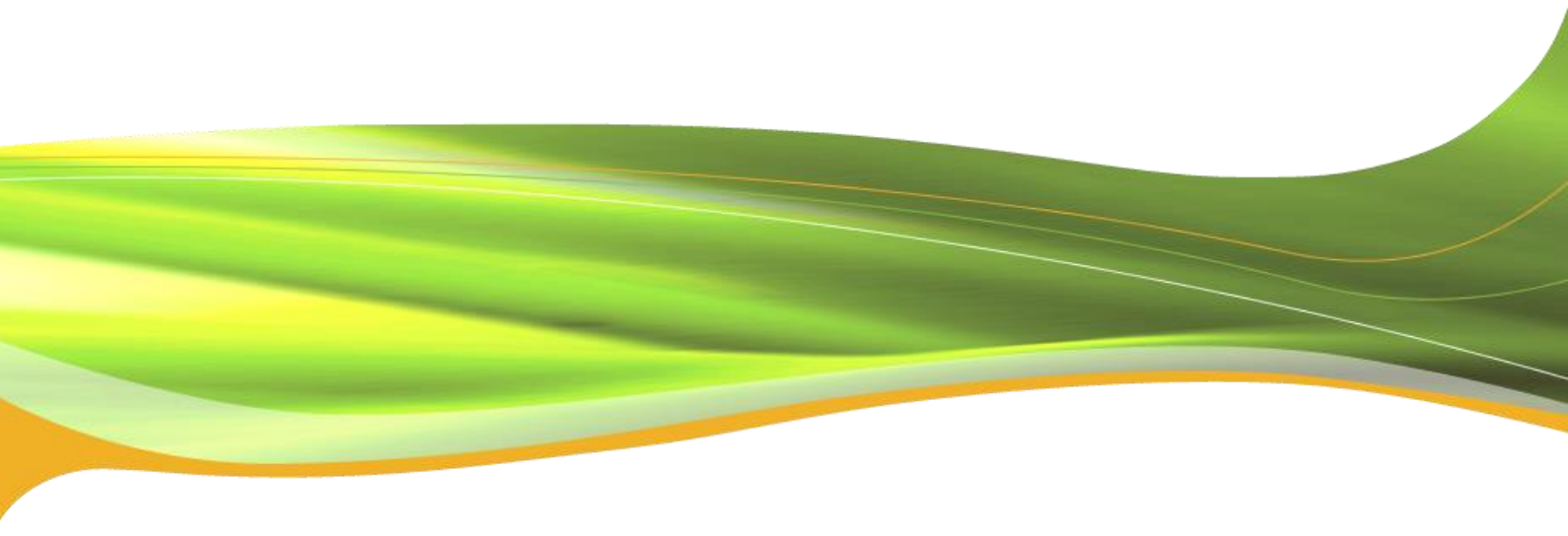


## **European Distribution System Operators for Smart Grids**

Establishment of annual priority lists for the  
development of network codes and guidelines  
for 2015 and beyond - EDSO response to  
European Commission public consultation



## General comment

European Distribution System Operators for Smart Grids (EDSO) welcomes the European Commission plan for developing network codes for 2014 and beyond. The network codes are an essential piece of legislation to make the single energy market work while guarantying the security of supply.

We acknowledge the European Commission's efforts to guide the network code development process in the coming years and we appreciate being given the opportunity to express our opinion on the future work of the European Commission.

Over the last three years, EDSO very actively contributed to the development of network codes by providing input and feedback on the texts drafted by ENTSO-E and participating in ACER's workshops and stakeholders meetings. EDSO will continue to do so in 2015 and beyond.

## Tentative annual priority list 2015 regarding electricity network codes

Network codes will have a direct impact on generators, Transmission System Operators (TSOs), Distribution System Operators (DSOs), and electricity consumers. It is crucial that great attention is paid to their finalisation before entry into force. EDSO welcomes the European Commission focus on completing existing work on connection codes, system operation codes and market codes before initiating the development of new codes.

From the EDSO point of view, the collaboration between TSOs and DSOs has improved throughout the development of the network codes, however, we are still concerned that some requirements in the codes may hamper the full scale roll-out of smart grids but also the ability to maintain distribution grid reliability in a cost efficient manner. For instance, the development of new flexibility services, currently being studied in the expert group 3 of the Smart Grid Task Force, will require DSOs to gather much more information than today on their grid and on the actions of their grid users. This possibility is not clearly reflected in the network codes going through the comitology process. We encourage the European Commission to scrutinise the code currently being finalised to make sure that they will not create new obstacles to reaching the European 2020 objectives.

In addition to finalising the current network codes, the focus should be put on using the lessons learnt from previous codes and on the proper implementation of the finalised codes.

## Improving network codes design and implementation

- **Consistent drafting and impact assessment**

If the drafting process has improved over the last two years, consistency of the requirements between network codes has always been an issue. A better coordination between the teams drafting each code is necessary to avoid gaps, contradictions or overlaps. In addition to consistency, the requirements set in the network codes should be assessed through a cost-benefit analysis in order to make sure that they will actually have a positive impact on the grid and all its users.

The assessment of new requirements is compulsory according to European regulation, but has never been executed by ENTSO-E. There is a risk that significant adaptation costs will appear during the implementation phase.

- **Alignment of codes and standardisation efforts**

Cenelec has signed a Memorandum of Understanding with ENTSO-E in 2013 in order to launch a detailed analysis of the expected impact of each Network Code on European standards development, as several inconsistencies can be noted:

- The network code requirements are in contradiction with existing European standards<sup>1</sup>;
- Existing standards can support the implementation of network code requirements but need to be adapted<sup>2</sup>
- There is a gap in existing standards: in such situation Cenelec and ENTSO-E should work together to investigate the need of new standards<sup>3</sup> (e.g. product specification standards or third party testing standards). Any missing or unclear link or any gap between functionalities and standards might lead to massive problems in implementing the code.

To improve this situation, an early involvement of the European standardisation bodies in either ENTSO-E's drafting work or in support of ACER's recommendation of network codes should be envisaged. The work carried out will help support some of the network codes requirements but an earlier involvement could have better identified both existing contradictions, for which code requirements could have been changed, and missing standards.

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<sup>1</sup> Existing EN 50160 (art. 4.2.1, 5.2.1 and 6.2.1) specifies General Frequency Requirements (Frequency values admissible for unlimited time periods) : frequency can stay outside the 49,5-50,5 Hz range no more than 0,5% of the time of the year. Article 13 of DCC does not comply with this standard requirement since it specifies that all connected facilities shall be able to withstand a 49-51 Hz frequency range for an unlimited period of time.

<sup>2</sup> For example, standards like the EN 50438 on the « Requirements for micro-generating plants to be connected in parallel with public low-voltage distribution networks» within CENELEC TC 8X ("System aspects of electrical energy supply") are impacted by the requirements of the RfG code.

<sup>3</sup> This is the case for different requirements in the connection codes. The RfG code includes requirements on compliance monitoring of all generating units. Equipment certificates for mass market units (type A) may ease drastically the compliance procedures. Therefore, such requirements can only be fulfilled by developing standards which are currently missing. This could be an extension of the existing EN 50160 or TS 50549.1 & 2 Cenelec standards. Moreover, the DCC code includes requirements on Demand Side resources performances (system frequency control). Such requirements are not included in any Cenelec standards yet.

Standards are not only a way to transfer functional needs into industrial reality but also the expression of the state of the art of industry, of what is achievable at reasonable costs. For the development of future network codes in 2015 and beyond, an early cooperation with Cenelec should be envisaged.

- ***Transparency during the comitology process***

The network code drafting process, is long and complex, involving a large number of stakeholders. Over the last few years, ENTSO-E and ACER have worked under a tight schedule to draft and review the codes. Several times, EDSO has voiced concerns about a specific code or unaddressed flaws. However, the drafting process itself, the steps for public consultation, workshops and deadlines were clear. Since the Requirement for Generators, Demand Connection, Operational Security, Operational Planning and Scheduling and Load Frequency Control and Reserves codes reached the European Commission, stakeholders have received no information on the changes made to the codes, and have not been informed about the timeline set up for the completion of the codes. This lack of transparency at the end of the drafting process creates uncertainty for all stakeholders which are left wondering what will be the final content of the codes and when they will enter into force.

- ***Stakeholder involvement during the implementation phase***

As the code will directly impact the whole energy value chain, from generators to consumers, there will be a need to properly engage all concerned stakeholders in the implementation process. Up to date information on progress as well as a detailed timeline, indicating the requirements to be implemented by NRAs, ACER, ENTSO-E, individual TSOs and other stakeholders, should be created. To this end, a European stakeholder platform, meeting on a regular basis, could contribute to a transparent and effective implementation process. Moreover, this would also help to the spotting, at an early stage, of potential network codes flaws to be amended as a priority.

- ***Regulators in the lead for implementing and amending codes***

As the original drafter of the codes, ENTSO-E, will also have a supporting role to play during the implementation of the codes, while regulators, through ACER and NRAs, are in the driving seats. If during the implementation phase, flaws or loopholes in the codes may become visible, amendments should be proposed and processed in a transparent and neutral way, and regulators should be guiding the amendment process, as suggested in ACER's guidance document published on 24 September 2013.