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European Network Code on Demand Connection

Demand Side Working Group
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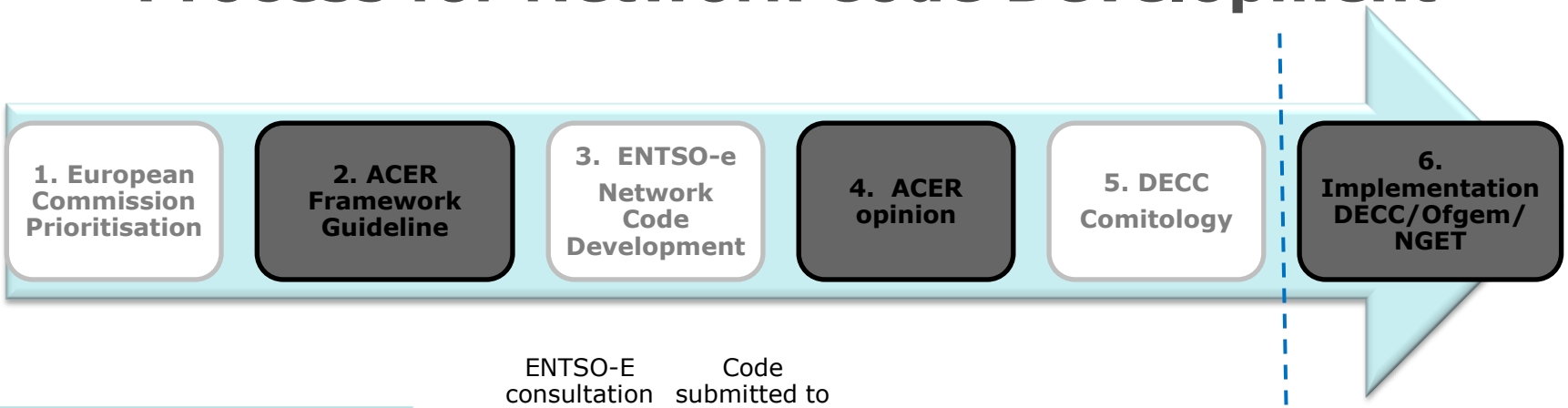
Framework

- **Source:**
  - Born from the European Legislative Third Package
    in particular, Reg (EC) 714/2009: Conditions for access to the network for cross-border exchanges in electricity.

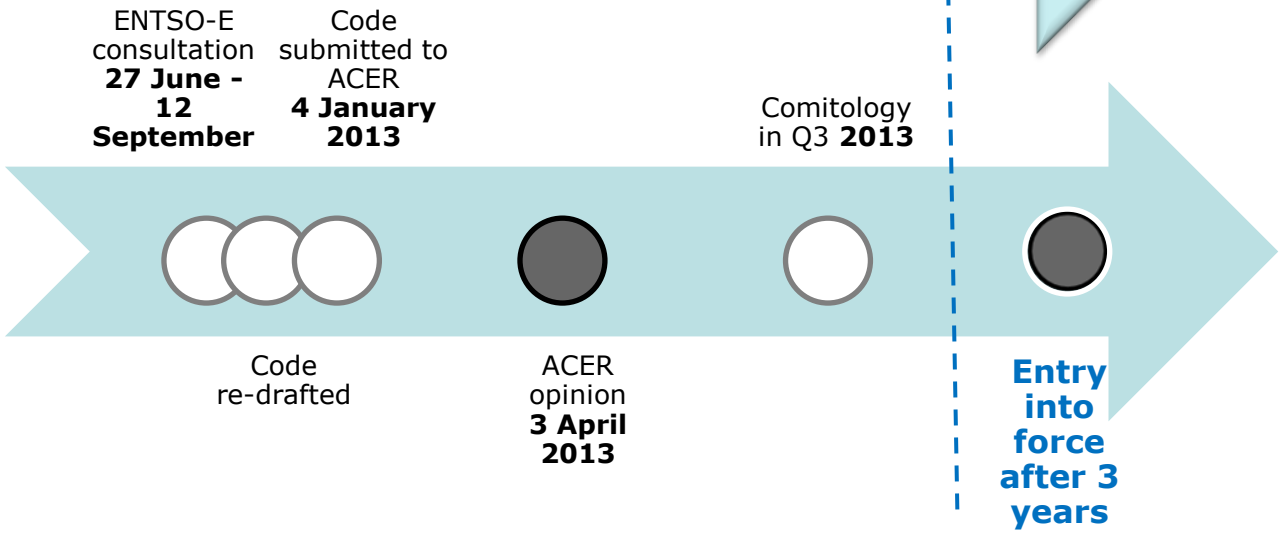
- **Purpose**:
  - **Legally-binding rules** for the **secure operation** of European power systems and implementation of a **liberalized Europe-wide electricity market**.

- **Scope**:
  - Broad-reaching with 12 topic areas covering:
    - **Effective system operation;**
    - Market integration;
    - **System development.**

Process for Network Code Development



Previous key dates	
20/7/2011	Framework Guidelines on Electricity Grid Connection published by ACER
01/12 – 4/12	Scoping by ENTSO-E
04/12 – 05/12	ENTSO-E call for Stakeholder Input



European Network Codes

ENTSO-E develops European Network Codes to facilitate Third Energy Package objectives of low-carbon generation integration, secure system operation and the single European Electricity Market.

TECHNICAL CODES

Grid Connection

Requirements For Generators	RfG	
Demand Connection	DCC	Submitted to ACER on 4 January
High Voltage Direct Current	HVDC	

System Operation

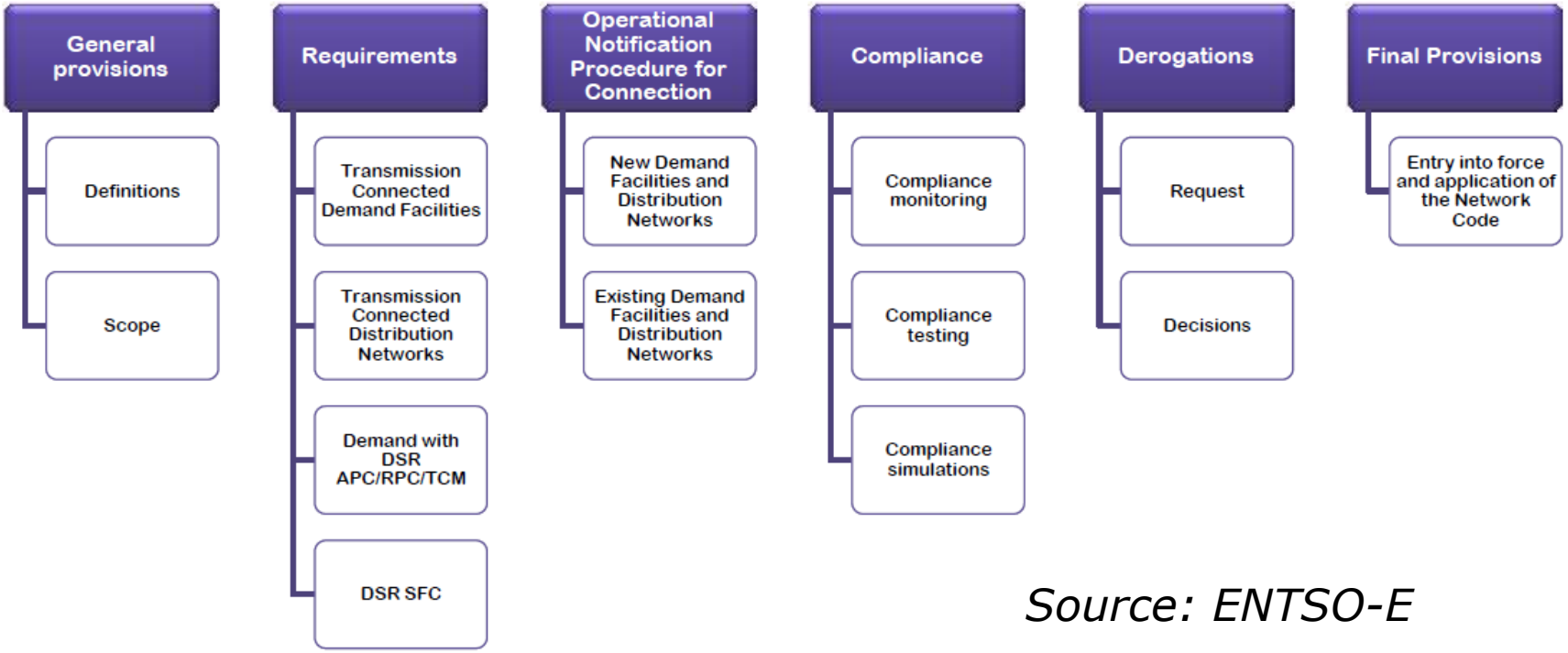
Operational Security	OS
Operational Planning and Scheduling	OPS
Load Frequency Control and Reserves	LFCR

MARKET CODES (INTERACT WITH TECHNICAL CODES)

Market Integration

Capacity Allocation and Congestion Management	CACM
Balancing	BAL
Forward Capacity Allocation	FCA

Basic Elements of the DCC



Source: ENTSO-E

- *DCC focus is on transmission-connected demand and all cross-border relevant DSR*
- *Operational Notification and Compliance enforcement is proportional and efficient*

Who the DCC applies to

- Applies to 'Significant Distribution Networks' as defined in the code
  - Distribution Network
  - Distribution Network Connections
  - Transmission Connected Distribution Network
  - Closed Distribution Network providing DSR

- Applies to 'Significant Demand Facilities'
  - Transmission Connected Demand Facility
  - Demand Facility providing DSR

- Retrospective application where CBA shows positive outcome, National Regulatory Authority decision

Demand Side Response

DCC sets out requirements for DSR

- Reactive Power Control (RPC)
- Active Power Control (APC)*
- Transmission Constraint Management (TCM)
- System Frequency Control (SFC)*
- Very Fast Active Power Control (VFAPC)

* Device-level requirements through EcoDesign Directive

Key Stakeholder interactions

DECC and OFGEM engaging with stakeholders to identify key remaining concerns through:

- The Joint European Standing Group (JESG)
- The DECC-Ofgem Electricity Stakeholder Meeting
- The DECC-Ofgem sub-group Prioritisation Workshops
  - Meeting held on 16 January to identify priority issues for GB
  - Further meeting to take place on 20 February (Following a JESG meeting)

Key GB stakeholder DCC concerns

- Demand Side Response – System Frequency Control (DSR-SFC)
  - Earlier DCC drafts mandated this capability, giving rise to NRA and stakeholder concerns of market distortion.
  - No longer mandated - DSR-SFC is subject to the EcoDesign process, a robust 3-5 year process with CBAs, IAs and stakeholder and NRA consultation
  - Some concern remains around market impact and consideration of consumer rewards
  - Code includes NRA oversight of deadband, considered necessary by stakeholders and Ofgem
- Compliance and data
  - Concern domestic consumers may be captured by default not design
  - Could be resolved with improved significance test drafting

Any Questions?

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