

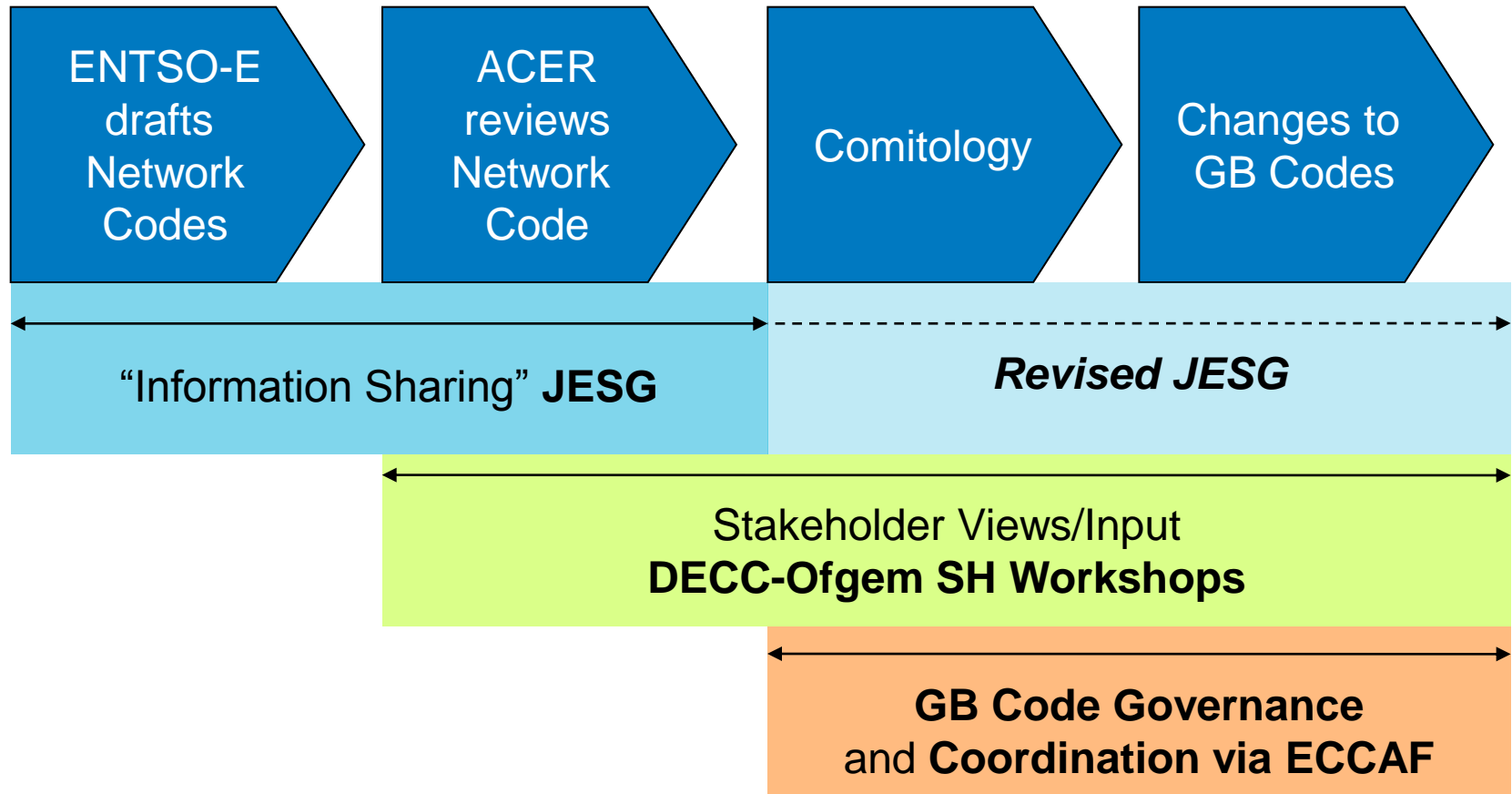
ECCAF

Ian Pashley

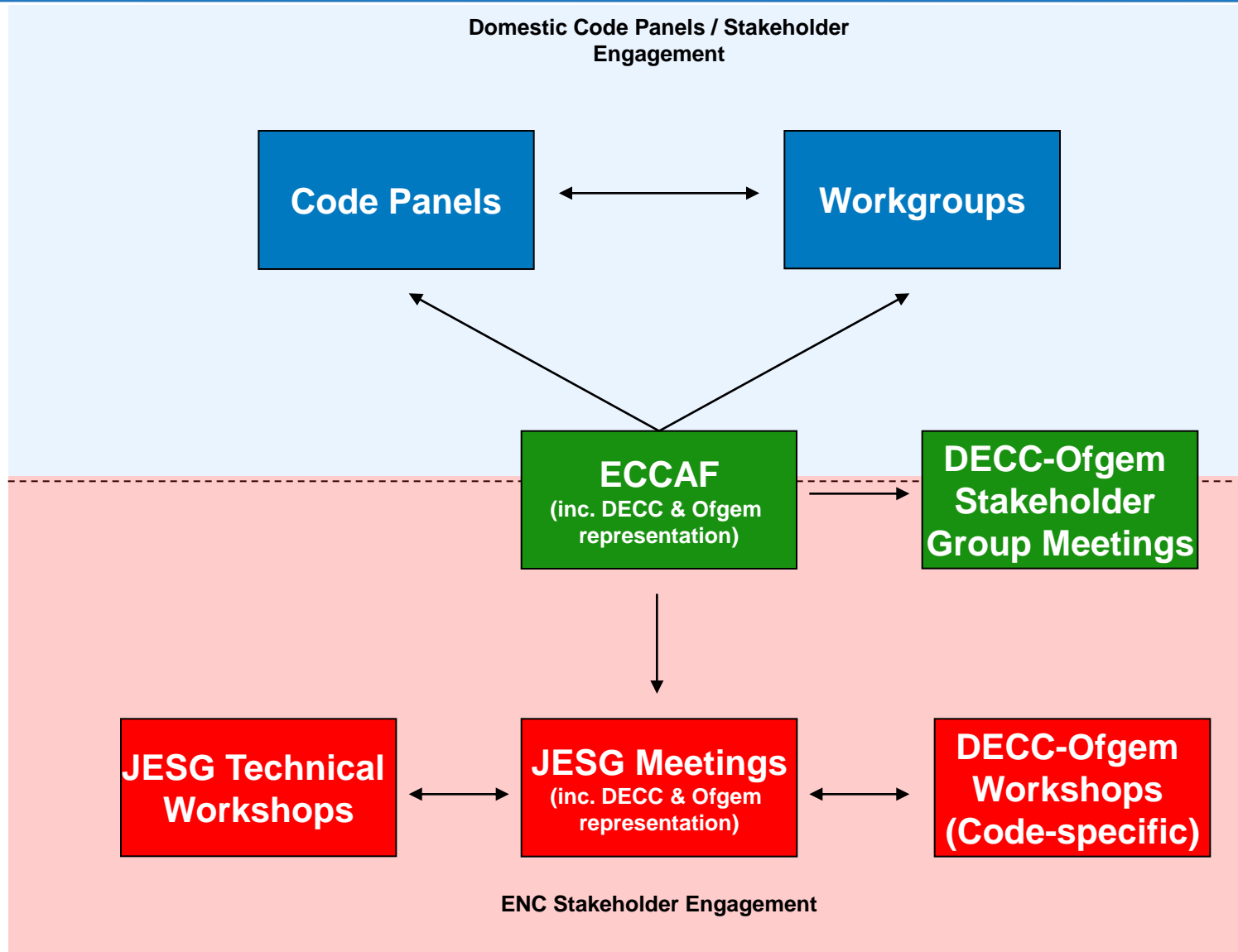
DECC-Ofgem European Stakeholder Group

31 October 2013

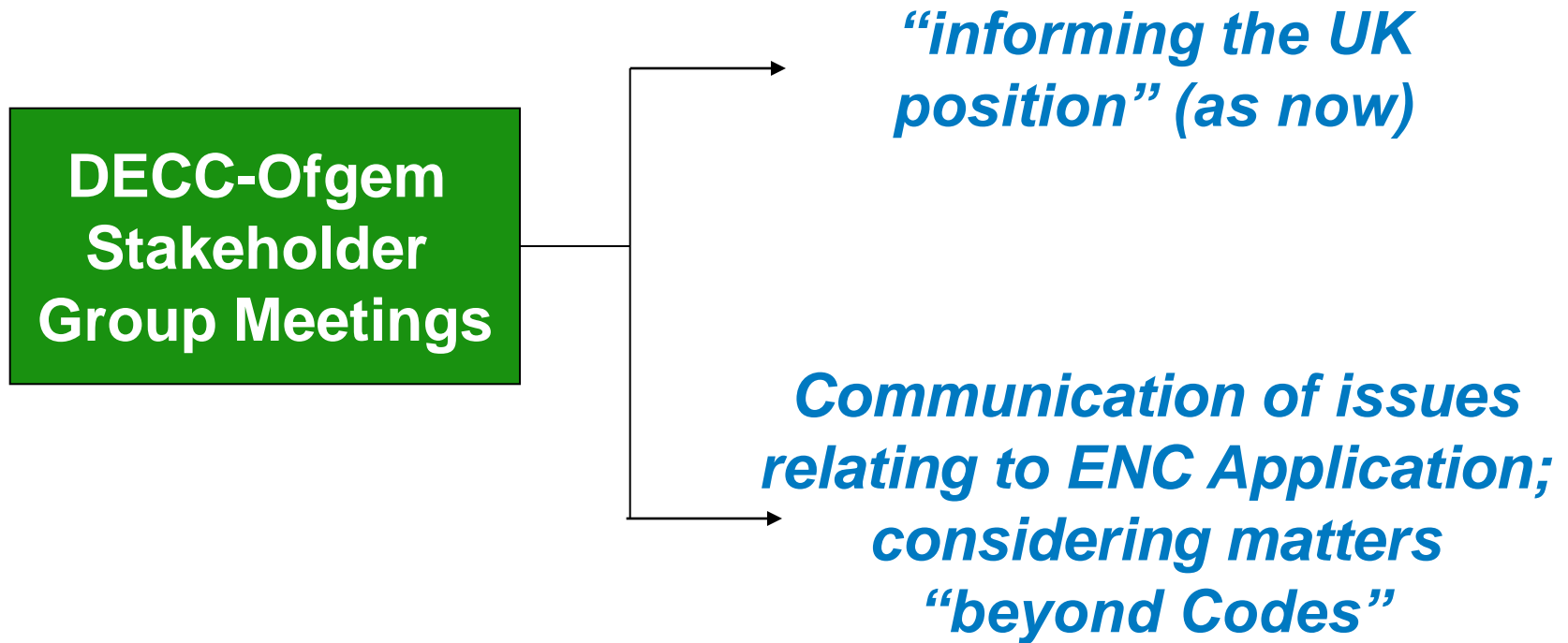
Stakeholder Engagement



Meeting/Workgroup information flows



Proposed expanded scope for nationalgrid DECC/Ofgem stakeholder group meetings



ToRs compatible with this, but may benefit from review...

ECCAF Membership (to date)

Membership		
Panel / Role	Name	Company
Chair		
Technical Secretary	Paul Wakeley	National Grid
BSC	Barbara Vest	EnergyUK
CUSC	Garth Graham	SSE
D-Code	Mike Kay	ENWL
DCUSA	Chris Allanson	Northern Powergrid
Grid Code	Vacant	
SQSS	Vacant	
STC	Joseph Dunn	Scottish Power Transmission Ltd
National Grid	Bec Thornton	
Consumer Futures	Vacant	
DECC	Fiona Navesey	
Ofgem	Abid Sheikh	

Area of code	KEMA proposal	Current Commission thinking
Frequency range (Article 8.1b; table 2)	That quality parameters are dealt with in other network codes; Load Frequency Control. These would place corresponding obligations on TSOs	Agree with KEMA recommendation
Active power Output with falling frequency (Article 8.1e)	Extend the compliance section within the code along those lines of the GB grid code to more clearly define the required characteristics of gas turbines operating at falling frequencies.	This detail can be set at National level rather than in the code itself.
LFSM-O & LFSM-U (Articles 8.1c, 8.1e and 10)	For Nuclear to be exempt from LFSM-O and LFSM-U. For some CHP to be exempt but others to comply	To include a derogation clause for safety reasons (which would cover nuclear but not in name) Still considering plans for CHP
Voltage ranges (Articles 11.2a.1; tables 6.1 and 6.2)	Proposed upper limits on the over voltage periods so as to limit the extent of exposure.	To propose a range of time which generators must be exposed to over-voltage i.e. 20-40mins and 40-80mins.
On load tap changers & reactive power capability (Articles 11.2a.1 tables 6.1, 6.2 and 13b)	Not all member states currently have on load tap changers and that those without may need to install them to meet voltage and reactive power ranges set out in the code.	Set two reactive power capabilities, one for member states with on load tap changers and a separate one for member states without.
Fault ride through (Article 9)	Requirements for clearing time should be split between synchronous areas in a similar way to requirements for frequency and voltage operational ranges. No additional fault ride through requirements should be applied to LV connected generators.	Minded to make 150ms fault ride through standard and allow some cases where it goes beyond this (if parties agree). Potential role for ACER &/or NRAs in approving non standard requirements.
Fast reactive power injection for PPMs (article 15.2.b2)	Should become a non exhaustive requirement. Where TSOs believe it is relevant and have a high penetration of RES, they can propose it as part of implementation. Otherwise, CENELEC should be given time to consider the issue and develop appropriate EU standards.	Agree with the KEMA recommendation.
Effect for Distribution Networks	Essential that DSO's requirements concerning safety are addressed in all cases. Fault ride through should not apply to generators connected to LV networks.	Agree with KEMA recommendation. Minded to reduce the volume of compliance placed on DSOs or let it be set at national level.

Prioritisation Workshop for the Forward Capacity Allocation (FCA) Network Code

DECC-Ofgem Stakeholder Sub Group

FCA status update (Ofgem)

- Code submitted to ACER on 1st October 2013
- ACER has three months to issue its opinion
- ACER has three options:
 - Approve the code as it is
 - Approve the code and propose amendments to the Commission
 - Send the code back to ENTSO-E

(1) Firmness

- ENTSO-E's text is not currently in line with the framework guidelines – so text is expected to change to meet the FG requirements.
- Firmness is an acute issue for GB because we have HVDC cables as opposed to an AC network - this needs to be considered in the provisions of the code.
 - DC interconnectors seek to limit the risk arising from full market spread compensation because the costs can be unsustainable.
 - Energy traders are concerned that limitations to the interconnector risk will transfer the risk to them unfairly.
 - All parties saw the benefits of early certainty and strong NRA oversight on how any caps on compensation will be set.

(2) Timescales

- The timescales for implementation are tight given the uncertainty that will exist until the codes have completed comitology and the amount of time needed to write the methodologies (systems and processes).
- Both TSOs and market participants have to adapt their systems.
- In light of this it is particularly important that some of the finer details (e.g. the methodology for splitting cross-zonal capacity) are made available to market participants as early as possible.

(3) PTRs & FTRs

- Combination of PTRs and FTRs on one border is not allowed, therefore there should be an early consultation over which is to be used.
- This decision process needs to be transparent and accessible to all market participants.
- Participants raised the concern that because PTRs are already in place on most borders, this could potentially act as barrier to market entry for those who may prefer to trade on FTRs (e.g. new asset developers).

(4) Common issues

- A number of issues were identified that are common across multiple network codes (in particular with CACM):
 - degree of NRA oversight including over detailed documents created under but not part of the network codes e.g. methodologies.
 - Degree of consultation with the sector – particularly over these detailed methodologies and other documents.
- DECC agreed to consider these issues as part of the wider network code development process.
- DECC also agreed to engage with interested parties in detail before FCA network code reaches comitology.

ACER Opinion LFCR

Summary

- LFCR is the 3rd of the three system operation codes;
- It aims to define requirements and principles for load frequency control and reserves for TSOs, DNOs and reserve providers;
- Quality & content of the LFCR code is good;
- Industry stakeholders response to code = positive;
- Framework guideline issues – same as OS & OPS – national scrutiny and & nonexhaustiveness of the national scrutiny scope eg Recitals (7) to (9) and Article 4(1) to (4) NC LFCR;

ACER Opinion & Recommendation – dd 26 September 2013

- To prevent negative opinion & recommendation – ENTSO-E & ACER have worked closely together to resolve issues;
- ENTSO-E submitted letter dd 10-09-2013- to ACER to address ACER's concerns on national scrutiny;
- Letter must be seen as amendment to NC LFCR;
- ACER has taken letter as amendment into account & concluded LFCR is in line with framework guideline.

...there is still room to influence – stakeholders are requested to provide specific examples or problematic rules/definitions to Ofgem a.s.a.p.

National Scrutiny & Non-Exhaustiveness of the national scrutiny scope

Old recitals 7 – 9 for the LFCR:

“(7) The Network Code should respect the competences of national authorities raising out of Regulation (EC) N°714/2009 and Directive 72/2009/EC in combination with its implementation in national legislation.

(8) This Network Code should not hinder National Regulatory Authorities competence to monitor compliance with Network security and reliability rules and to set or approve standards and requirements for quality of service and supply.

(9) This Network Code should not be detrimental to the right of any party having a complaint against a transmission or distribution system operator in relation to that operator’s obligations under this Network Code to direct its complaint to the regulatory authority”.

→ Letter ENTSO-E , dd.10 September 2013

New recitals 7 and 8 for the NC LFCR

“(7) Directive 2009/72/EC and Regulation (EC) No 714/2009 provide for powers and duties of national regulatory authorities with regard to measures taken by Transmission System Operators (TSO), allowing Member States to involve in certain cases also other national authorities. Those competences should also apply to measures taken by TSOs under this Network Code. To ensure consistent cross-border application of the most relevant of these competences, it is necessary to clarify the competence of national regulatory authorities to approve or fix specific terms and conditions or actions necessary to ensure operational security or their methodologies. The Network Code does not preclude Member States from providing for the approval or fixing by national regulatory authorities of other relevant terms and conditions or actions necessary to ensure operational security or their methodologies within a timeframe allowing the timely delivery of those terms and conditions or actions.

(8) This Network Code is not detrimental to the right of any party having a complaint against a Transmission System Operator or Distribution System Operator in relation to that operator’s obligations under this Network Code to direct its complaint to the regulatory authority”

ACER Amendment Guidance

Garth Graham

30th October 2013

(1)

- Any person who is "*likely to have an interest*" in the Network Codes can raise a justified amendment proposal - but it's not a right to request an amendment itself
- ACER will determine if proposal is admissible
- ACER will consider proposals either as '*ad hoc*' (for those that ACER believes are 'urgent') or '*periodic*' via a five yearly review (of all none urgent proposals received)

(2)

- Will consider all none urgent proposals together - bundle them up [not clear if there is a 'first come / first served' if ACER or ENTSOe resources are tight]
- ENTSOe has a role - consulted on by ACER and may help (re)draft proposal, but opinion and recommendations not binding on ACER

(3)

- ACER will undertake impact analysis of proposal - ENTSOe provides its view
- ACER looks at:
 - Specific and operational objective assessment
 - Consistency test
 - Proportionality test
- ACER issues 4 week public consultation (less for ad hoc 'urgent' proposals)

(4)

- ACER prepare final amendment proposal and evaluation of responses - ENTSOe provide an opinion of the proposal
- If ACER consider conditions for improving Network Code are met it sends reasoned proposal to Commission along with ENTSOe opinion and impact analysis [but, it seems, not the public consultation responses]
- *"The whole review procedure should be completed within a maximum of six* months from the starting of the periodic review"* [is this 'practical'?(!)]

* 3-4 months for ad hoc 'urgent' proposal reviews.

Comments (a)

- No ACER consultation on Guidance – so no stakeholder views
- Role of ENTSOe ‘disproportionate’ (‘discriminatory’?)
 - Have a right to give an opinion after stakeholder consultation – why?
 - Why should ENTSOe alone be given three opportunities to respond to the proposal (and stakeholders just one?) ?

Comments (b)

- ENTSOe '*privileged position*' given 6 month time limit?
 - Can prioritise those proposals from TSOs - if, say, 100 TSO proposals submitted and 1,000 stakeholder proposals then ENTSOe resource to produce view(s) and opinion(s) on 1,100 proposals during 6 month window is limited – tendency for them to work on TSO proposals ahead of others?