

All interested stakeholders

Direct Dial: 020 7901 1806  
Email: [Stephen.perry@ofgem.gov.uk](mailto:Stephen.perry@ofgem.gov.uk)  
Date: 22 September 2017

Dear Stakeholders

## **Consultation on proposed changes to the guidance document on technical derogation requests**

We are consulting on changes to our guidance on technical derogation requests, to incorporate guidance on derogation requests in relation to the Requirement for Generators network code (RfG), Demand Connection Code (DCC) network code and High Voltage Direct Current (HVDC) network code. Any responses to the consultation should be sent to [connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk) by 20 October 2017.

### Background – derogation requests

In GB we have national technical codes and standards for customers that want to connect to the GB electricity system. Compliance with technical requirements is in electricity consumers' interests as a failure to comply can have a direct and adverse impact on the security and quality of electricity supplied. Non-compliance may also have health and safety implications.

However, there may be occasions when a party assesses that it is unable to comply with a particular technical requirement, or that a specific technical requirement results in an inefficient outcome. In these circumstances, an affected party may submit a request to us for a derogation from the obligation to comply with a particular technical requirement.

We have previously published guidance on the process for requesting a derogation and the criteria that we will use to assess a derogation request. The current version of the guidance document was published in January 2009.<sup>1</sup>

### Background - European Network Codes (ENCs)

RfG, DCC and HVDC are part of a suite of ENCs that have been developed following the adoption and entry into force of the Third Internal Energy Market Package.<sup>2</sup> The ENCs intend to deliver a harmonised set of rules for the operation of the electricity sector in Europe. Collectively we refer to these three ENCs, as the 'Grid Connection Codes' (GCCs).

- RfG network code – specifies the technical connection requirements that new generators must abide by.<sup>3</sup>
- DCC network code – specifies the technical connection requirements that new distribution networks connecting to the transmission system, new demand users connecting to the transmission system and new customers wanting to provide demand side response services, must abide by.<sup>4</sup>

---

<sup>1</sup> 'Guidance on licence derogation requests', 19 Jan 2009; [link here](#).

<sup>2</sup> More information on the European Third Energy Package can be found on our website; [link here](#).

<sup>3</sup> Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (referred to as the RfG); [link here](#).

<sup>4</sup> Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection (referred to as the DCC); [link here](#).

- HVDC network code<sup>4</sup> – specifies the technical connection requirements that new long distance DC connections, new links between different synchronous areas (eg interconnectors) and new DC-connected generation (eg offshore wind farms) must abide by.<sup>5</sup>

It is important to note that until we formally leave the EU and the terms of the exit established, we will continue to participate constructively in EU institutions and the European Internal Energy Market (IEM). The ENCs are European Regulations and will be directly applicable to GB without having to be transposed into our national laws or regulatory frameworks. Over the next couple of years, the GB energy industry will be required to modify our industry codes to ensure that they are consistent with ENC requirements.

#### Proposed changes to the derogation guidance document

The GCCs include provisions that allow parties to seek derogations from GCC requirements.<sup>6</sup> The GCCs give us the role of reviewing and deciding upon all GCC derogation requests. We consider it appropriate to update our existing guidance on GB technical codes and standards derogation requests, to incorporate guidance on how we will review and assess GCC derogations requests.

In particular, our proposed changes;

1. Explain why we have updated the guidance document,
2. Amend the scope of the guidance to include non-licensed parties that have obligations under the GCCs.
3. Amend the derogation application process to incorporate the process for obtaining a GCC derogation.
4. Amend the information submitted as part of a derogation application to incorporate the information required for a GCC derogation.
5. Incorporate our decision on the GCC derogations assessment criteria.<sup>7</sup>
6. Add a new chapter to explain how we will maintain a register of GCC derogations.
7. Include a number of housekeeping changes (eg amending the title of the document and changing all references from 'Ofgem' to 'we').

Please find attached to this consultation, a track change version of the guidance document outlining all of our proposed changes.

#### **Consultation**

We are seeking on your views on our proposed changes to the guidance document. Please can you send any comments to [connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk) by 20 October 2017. We will consider representations or objections and subject to consultation responses, before publishing a revised guidance document in late 2017.

Yours sincerely,

**Peter Bingham,  
Chief Engineer**

<sup>5</sup>Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules (refer to as the HVDC); [link here](#).

<sup>6</sup> Articles 60-65 of RfG, Articles 50-55 of DCC and Articles 77-83 of HVDC.

<sup>7</sup> 'Decision on the assessment criteria for derogations from the Grid Connection Codes', 13 Feb 2017; [link here](#).