

All interested stakeholders

Direct Dial: 020 7901 1806
Email: Stephen.perry@ofgem.gov.uk

Date: 16 November 2017

Dear Stakeholders

Decision on changes to the guidance document on technical derogation requests

This is our decision to amend 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.

Background – European Network Codes (ENCs)

We have previously published guidance on the process for requesting a derogation and the criteria that we will use to assess a derogation request. This version of the guidance document was published in January 2009.¹

We consider it appropriate to amend this document to incorporate guidance on how we will review and assess derogation requests from the following three European Network Codes (ENCs) on technical electricity connection requirements:

- Requirements for Generators (RfG) network code – specifies the technical connection requirements that new generators must adhere to.²
- Demand Connection Code (DCC) network code³ – 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 adhere to.³
- High Voltage Direct Current (HVDC) network code⁴ – 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 adhere to.⁴

Collectively we refer to these three ENCs, as the 'Grid Connection Codes' (GCCs).

Consultation on changes to the derogation guidance document

On 22 September 2017 we consulted on making changes to our derogation guidance document.⁵ The consultation closed on 20 October 2017. We received five responses to our consultation. All of the responses received are published alongside this decision document.

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

² 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](#).

³ Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection (referred to as the DCC); [link here](#).

⁴ 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 (referred to as the HVDC); [link here](#).

⁵ Consultation on proposed changes to the guidance document on technical derogation requests, 22 Sept 2017; [link here](#).

All of the respondents were supportive of our proposed changes. However, some parties had suggestions about how the document could be improved. We address each of these below:

- EDF Energy encouraged us to re-consider our position that restricts entities from being able to transfer derogations to a new owner. EDF Energy highlighted the practical challenges of re-applying for derogations during the sale or transfer of assets between legal parties. Whilst we acknowledge the point raised by EDF Energy, the objective of this consultation was only to amend the document to incorporate the changes required to implement the requirements of the GCCs. It was not our intention to consult on re-opening our wider approach to derogations requests nor was it the purpose of this consultation to review what improvements can be made to the existing process. We will consider the point raised by EDF Energy as part of any future review of the technical derogations guidance document.
- Solarcentury proposed shorter timescales for considering and assessing requests from parties seeking a derogation from the requirements of the GCCs. Solarcentury considered that shorter timescales would be more appropriate for smaller generators and would better align with the overall connection timescale. Whilst we acknowledge the points raised by Solarcentury, the timescales identified in our guidance document reflect the timescales outlined the GCCs. We have committed that where changes are required to GB requirements to implement one of the ENCs, we will make only those changes necessary to ensure compliance with the ENCs.⁶ We therefore do not intend to implement stricter obligations here in GB than those required in the GCCs. We note that the timescales identified are minimum timescales and we would encourage all parties to complete tasks quicker than these minimum timescales (especially for derogation requests that may have a limited impact on the electricity system).
- SSE Generation was supportive of the proposed changes, but encouraged us to develop a derogation pro-forma to make it easier for parties to apply for a derogation from the GCCs. We considered that this could be helpful for parties seeking a derogation from the GCCs. It would also help us ensure that parties provide all the necessary information. We have therefore added this as an annex to our derogation guidance.

Decision

Please find attached to this decision a revised version of the technical derogation guidance document. These guidance document is effective immediately.

Yours sincerely,

**Peter Bingham,
Chief Engineer**

⁶ Implementing the Electricity EU Network Codes, 18 December 2014; [link here](#).