

# European Network Codes



David Smith  
Panel Update 25 February 2011

## European Network Codes

---

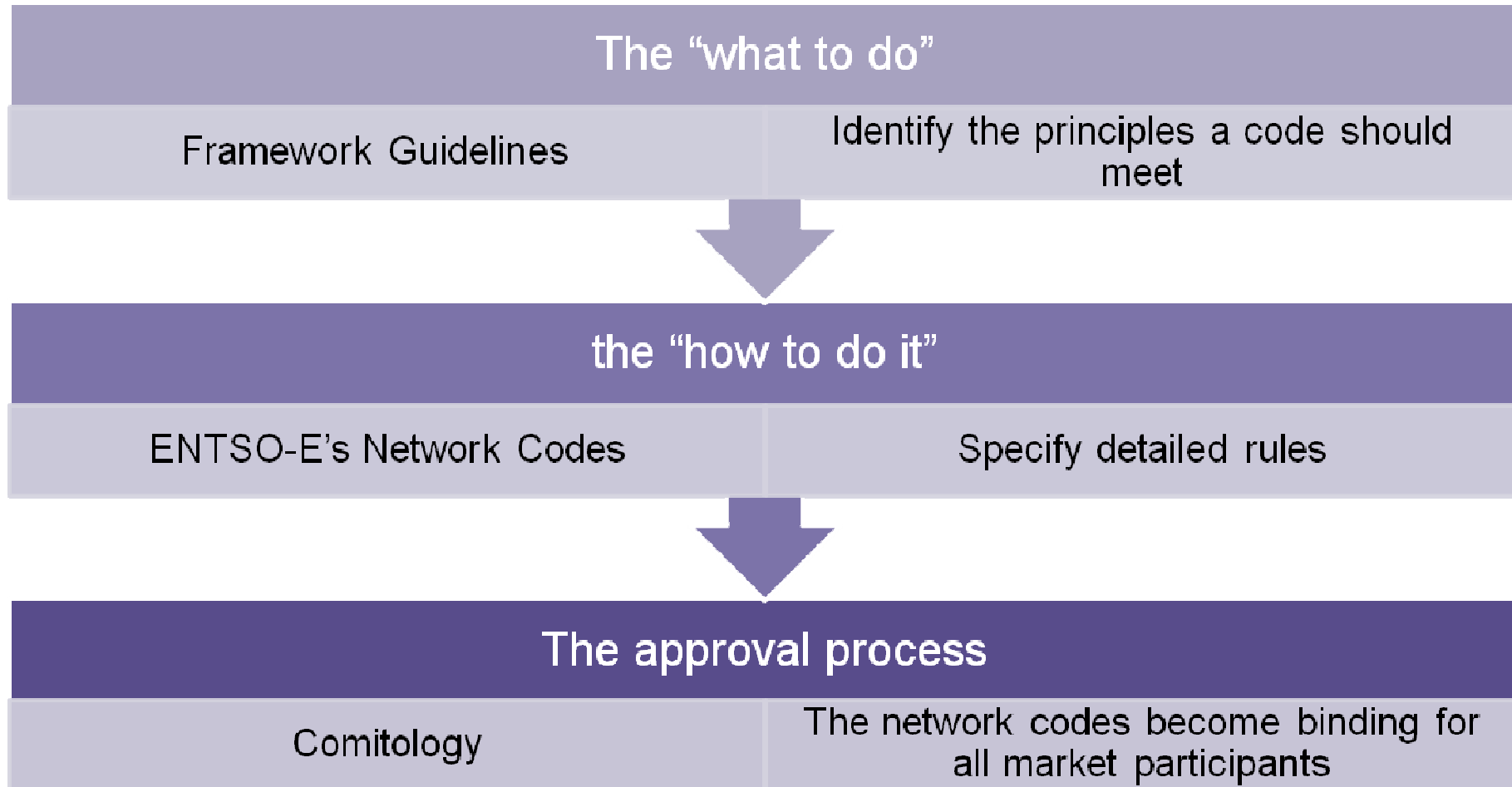
- The intent of the Third Energy package was for European Network Codes to be focused on cross border issues, however the regulation wording suggests that:
  - European Network Codes **may** impact both cross border and associated networks
  - The European Network Codes **may** result in significant changes to GB Codes

## European Network Codes

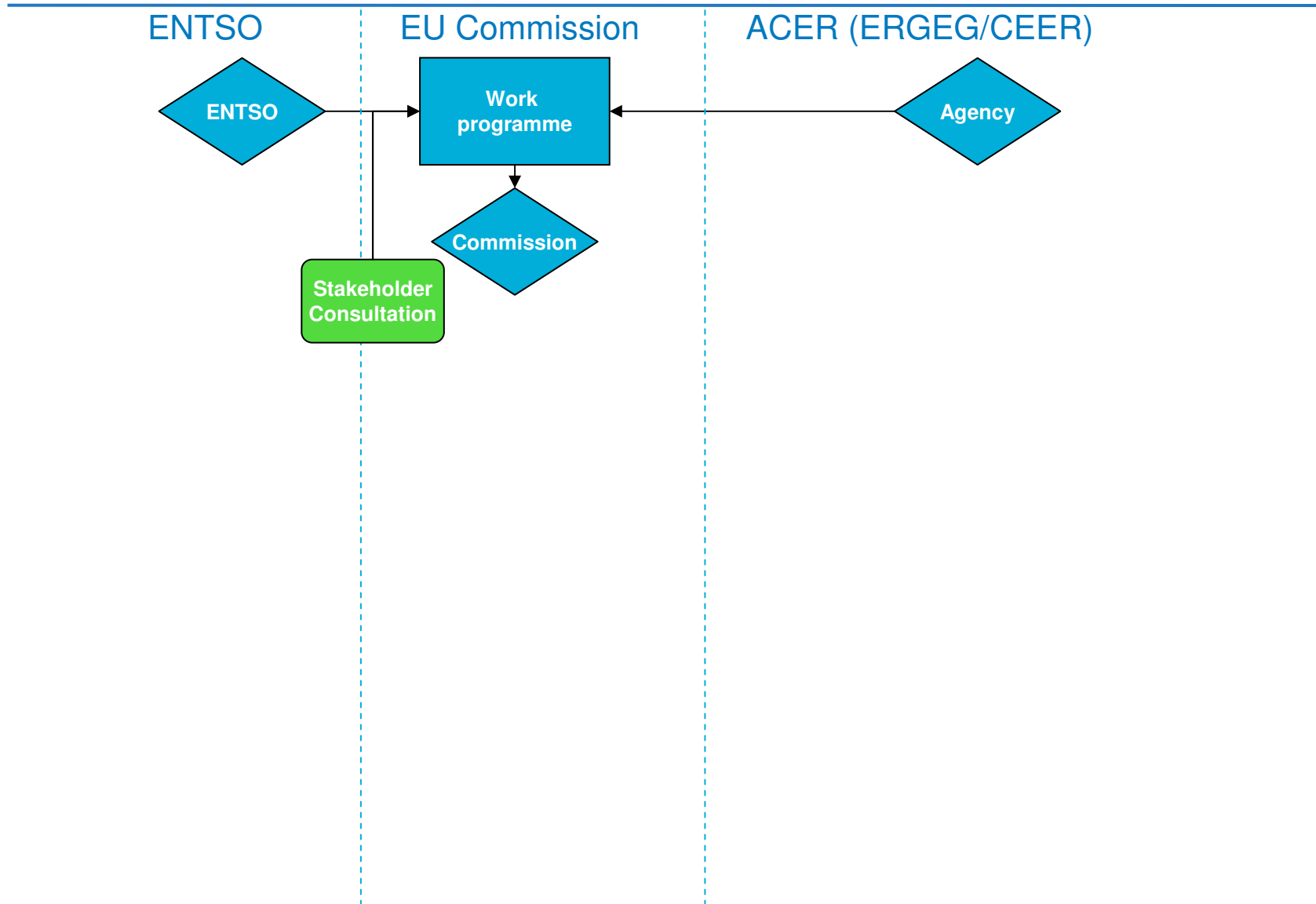
---

- Article 8(7) of (EC)715/2009, the Gas Regulation & Article 8(7) of (EC)714/2009, the Electricity Regulation
- “The network codes shall be developed for cross-border network issues and market integration issues and shall be without prejudice to the Member States’ right to establish national network codes which do not affect cross-border trade.”

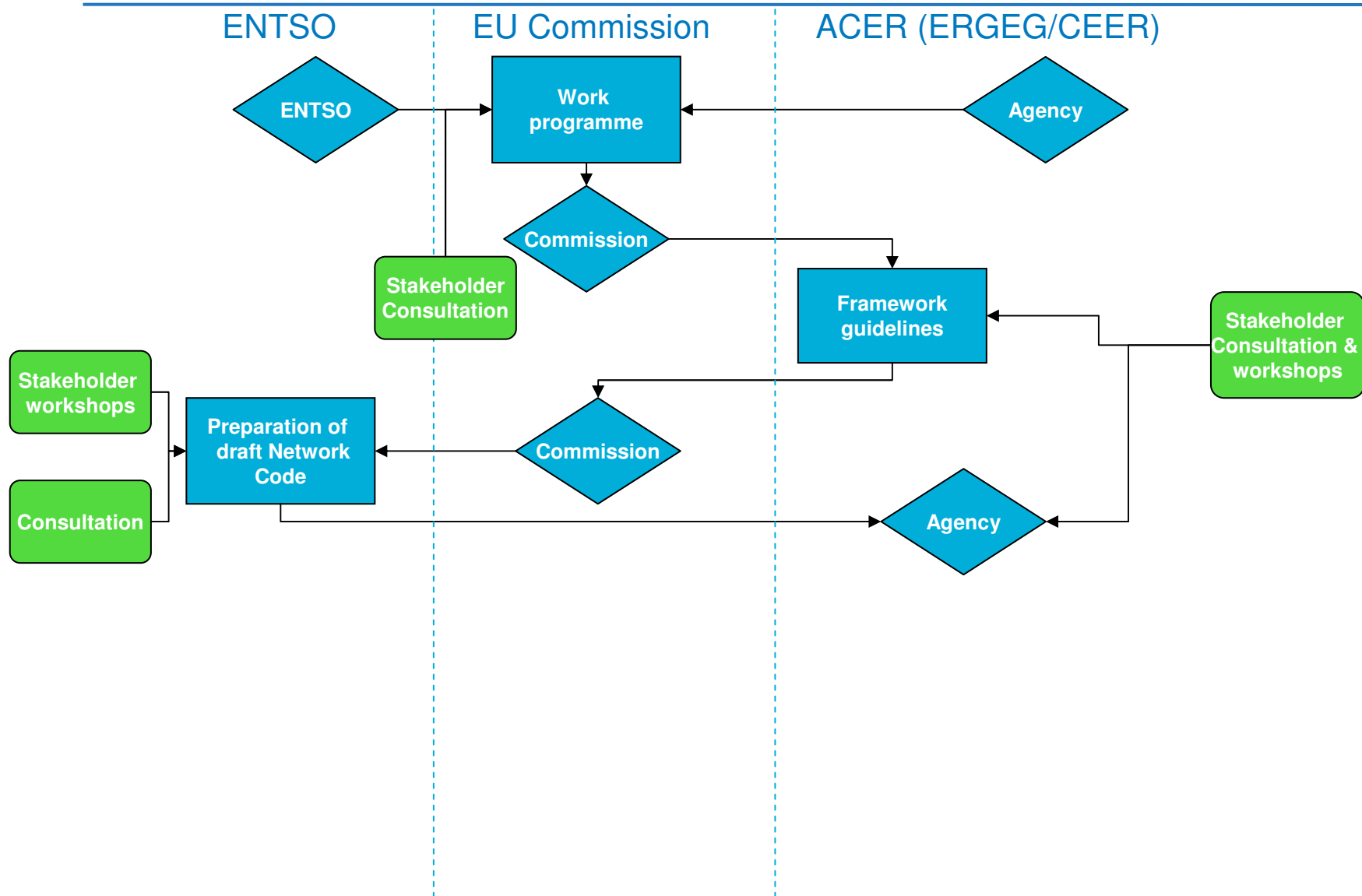
# Key aspects of the network code development process



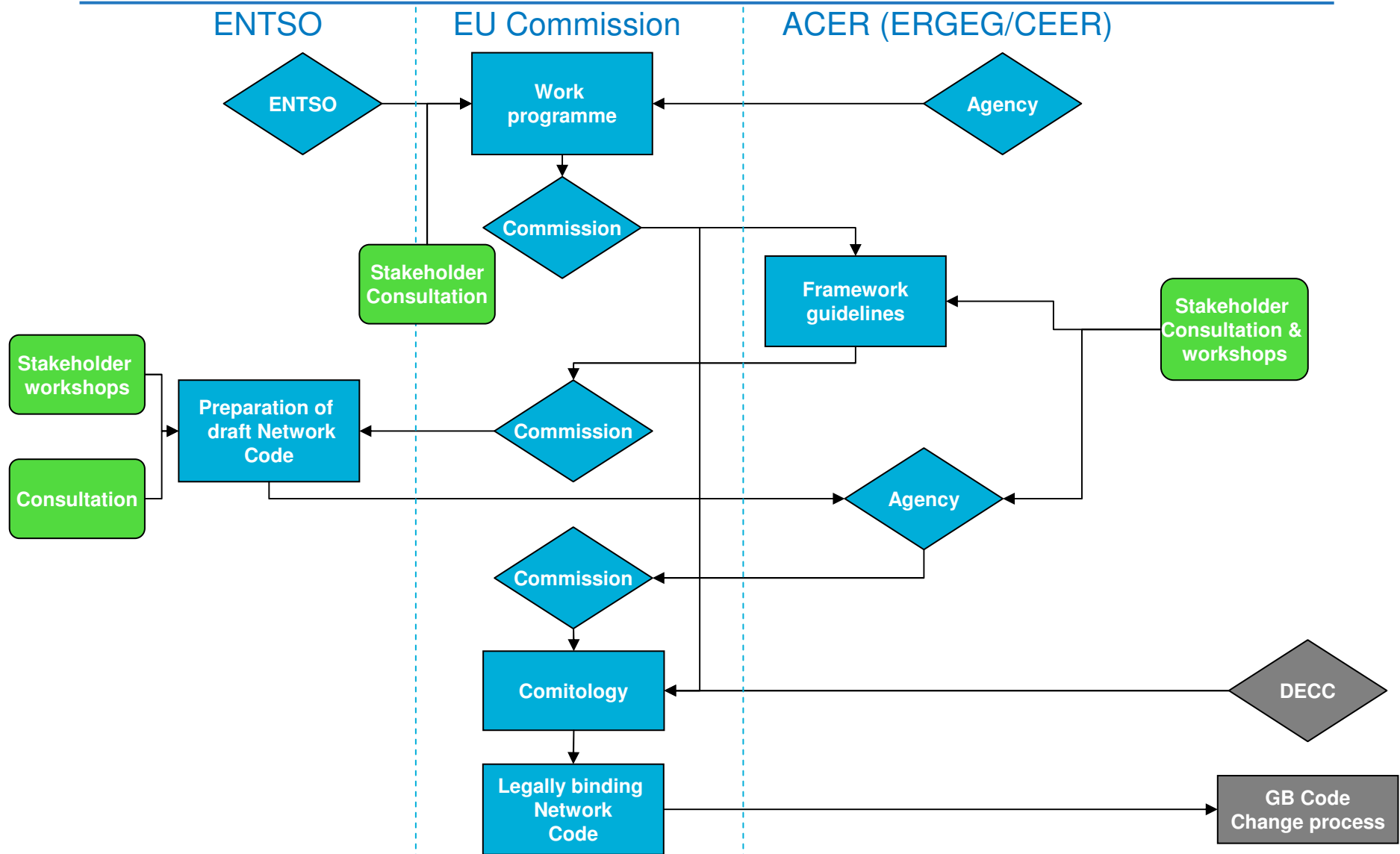
# European Network Code Development Process



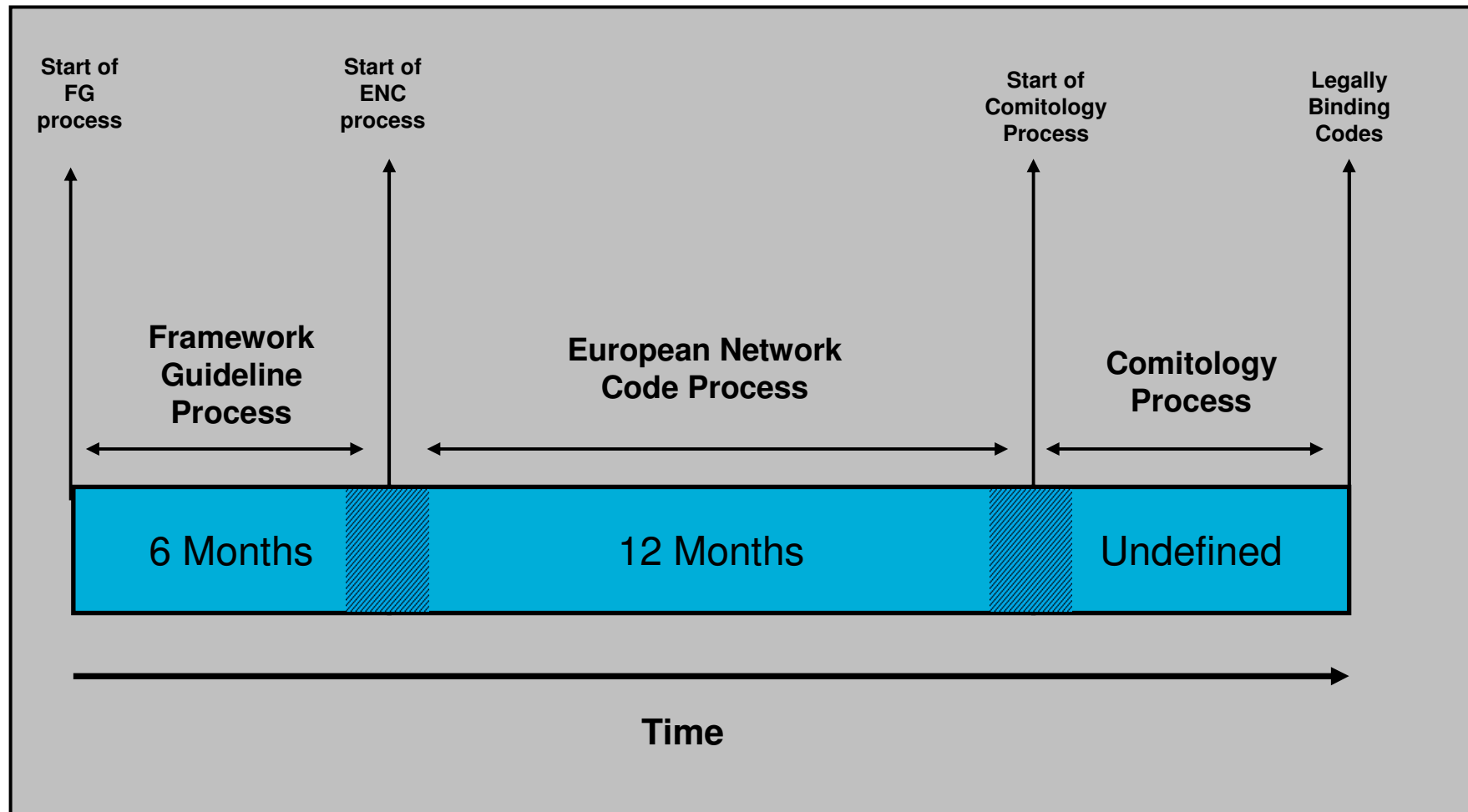
# European Network Code Development Process



# European Network Code Development Process



# European Network Codes - Timeline



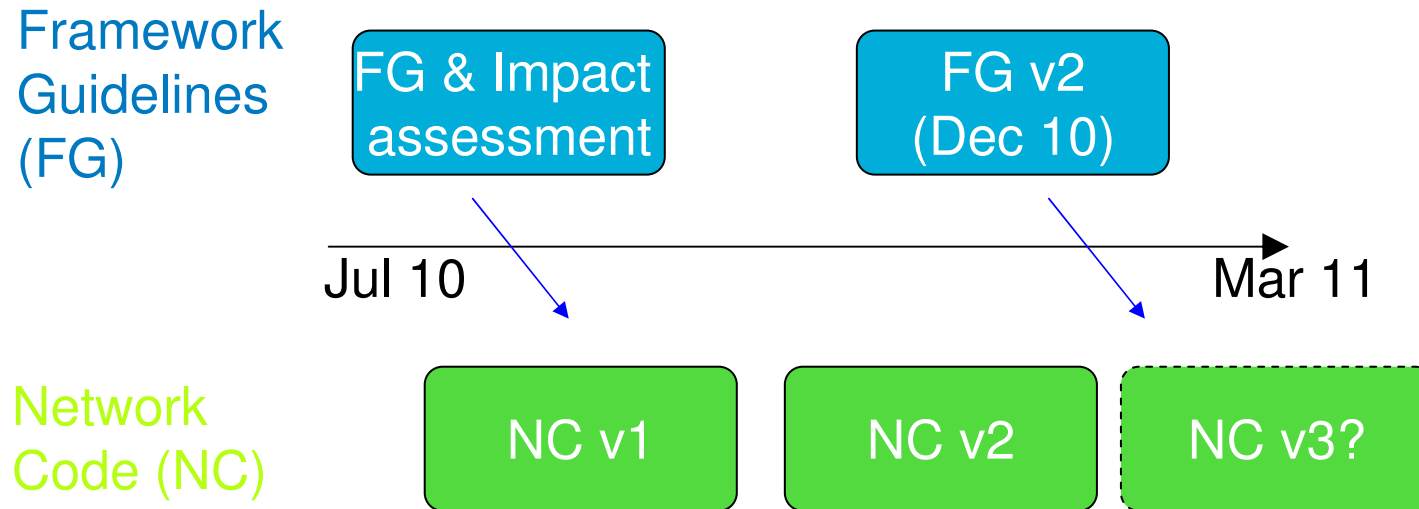


# Alternate Code Route – Binding Guidelines

- There is the potential that in some cases it will not be appropriate for TSOs to write a Network Code, so an alternative route to comitology has been made available
- Binding Guidelines are regulator lead, and have the same legality as Network Codes
  - EC → ACER → Guideline → Comitology
    - An example of the above process occurred with the Transparency Guidelines
- It is also an option that the EC can send Binding Guidelines directly to Comitology.
  - EC → Guideline → Comitology

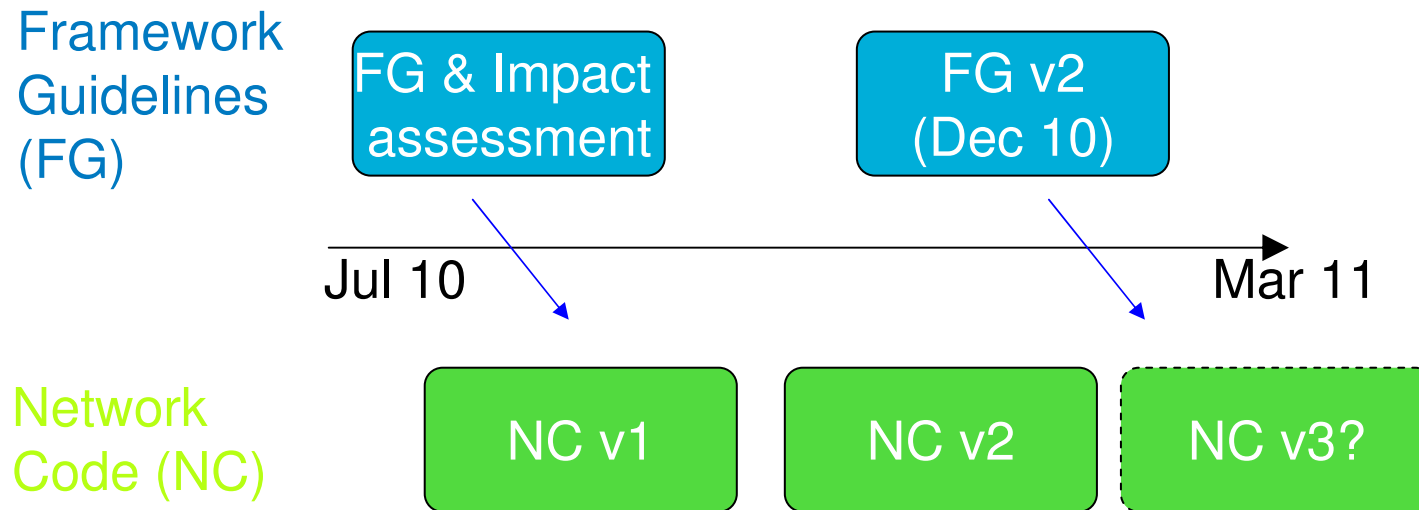
# Development process during pilot

---



## Development process during pilot

---

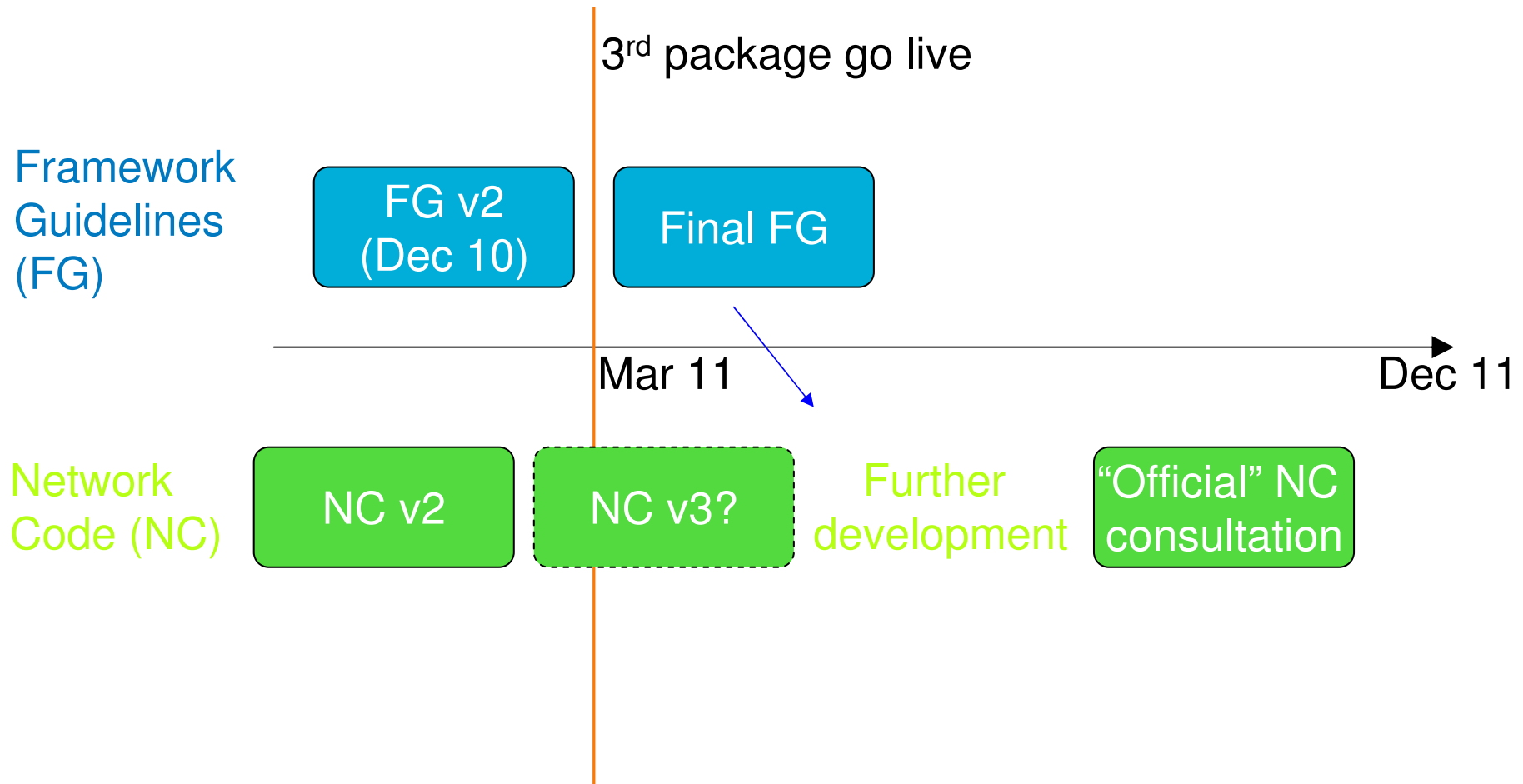


*Framework guidelines have moved on but not reflected in Network Code*

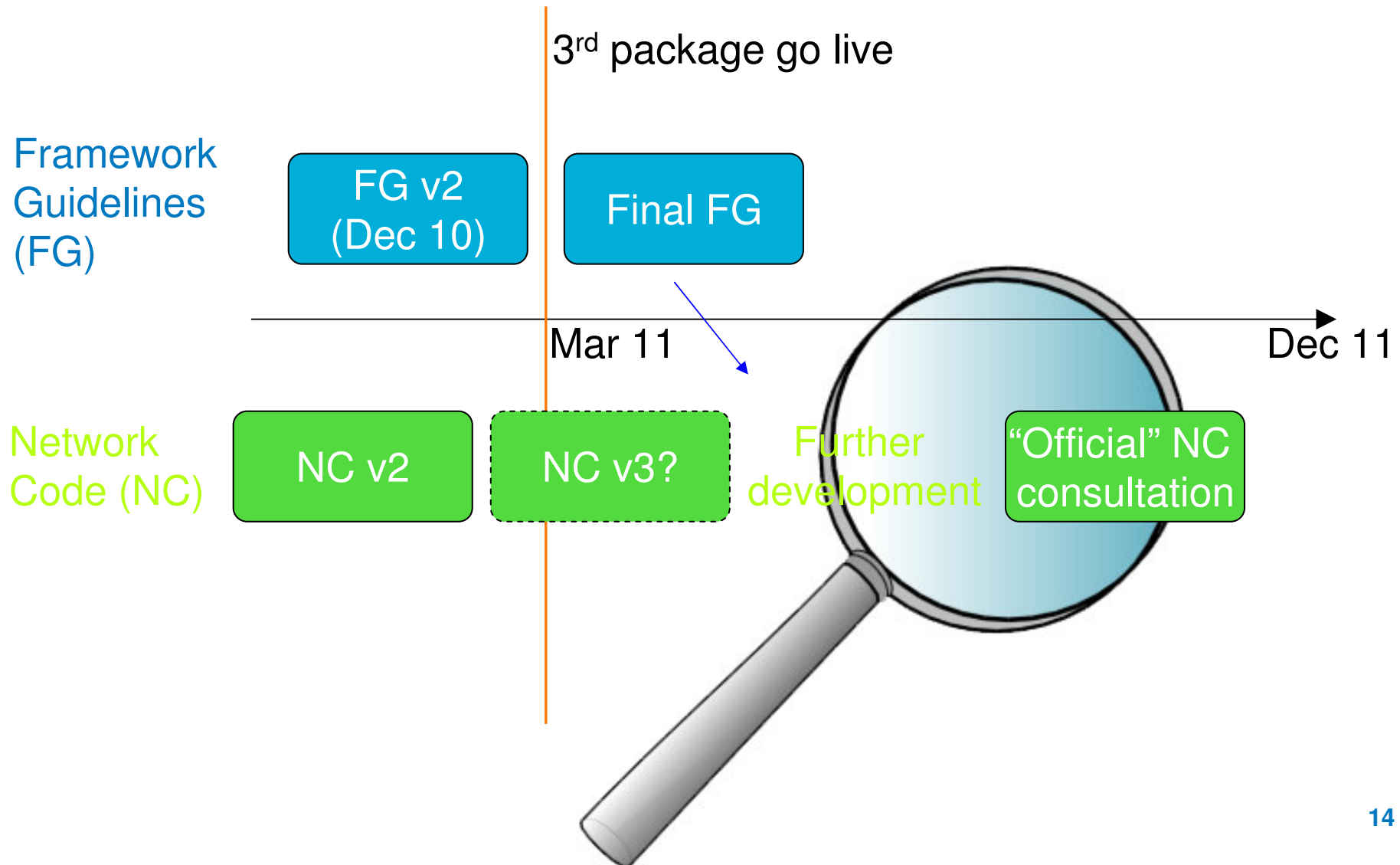
# ENTSO-E feedback on pilot exercise

- 
- Lack of transparency of alignment between Framework Guideline & Network Code
    - Recognised, in future parallel running will not happen
    - Should a further draft code be published or wait?
  - Lack of transparency of how stakeholder feedback has been taken on board for Network Code
    - No formal consultation to date on Network Code, just stakeholder workshops
    - Drafting team do intend to respond to all 3000 stakeholder comments so far
    - Need for a managed system for handling stakeholder comments within the code drafting process
  - A lot to learn from pilot exercise

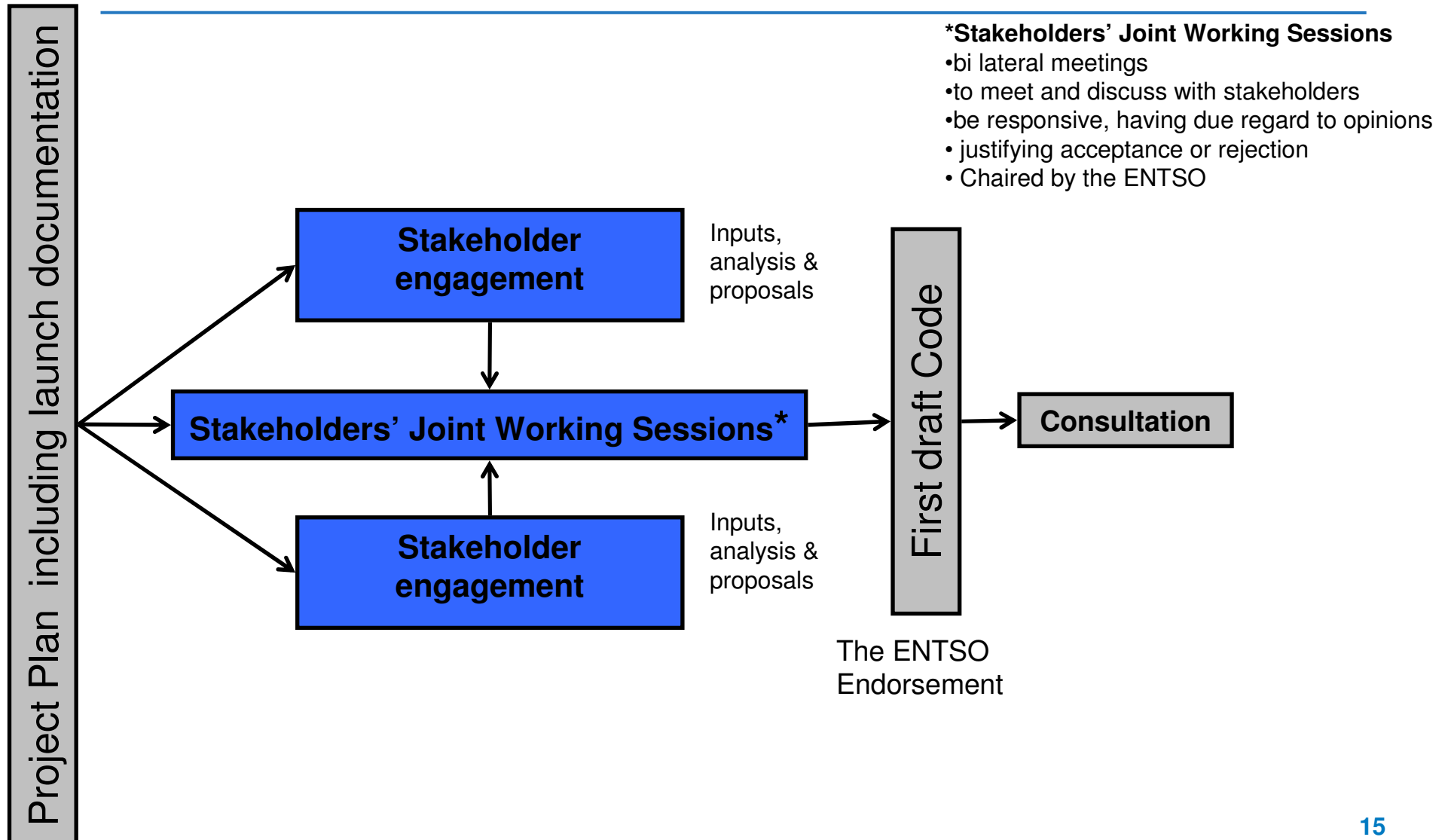
# Formal development process



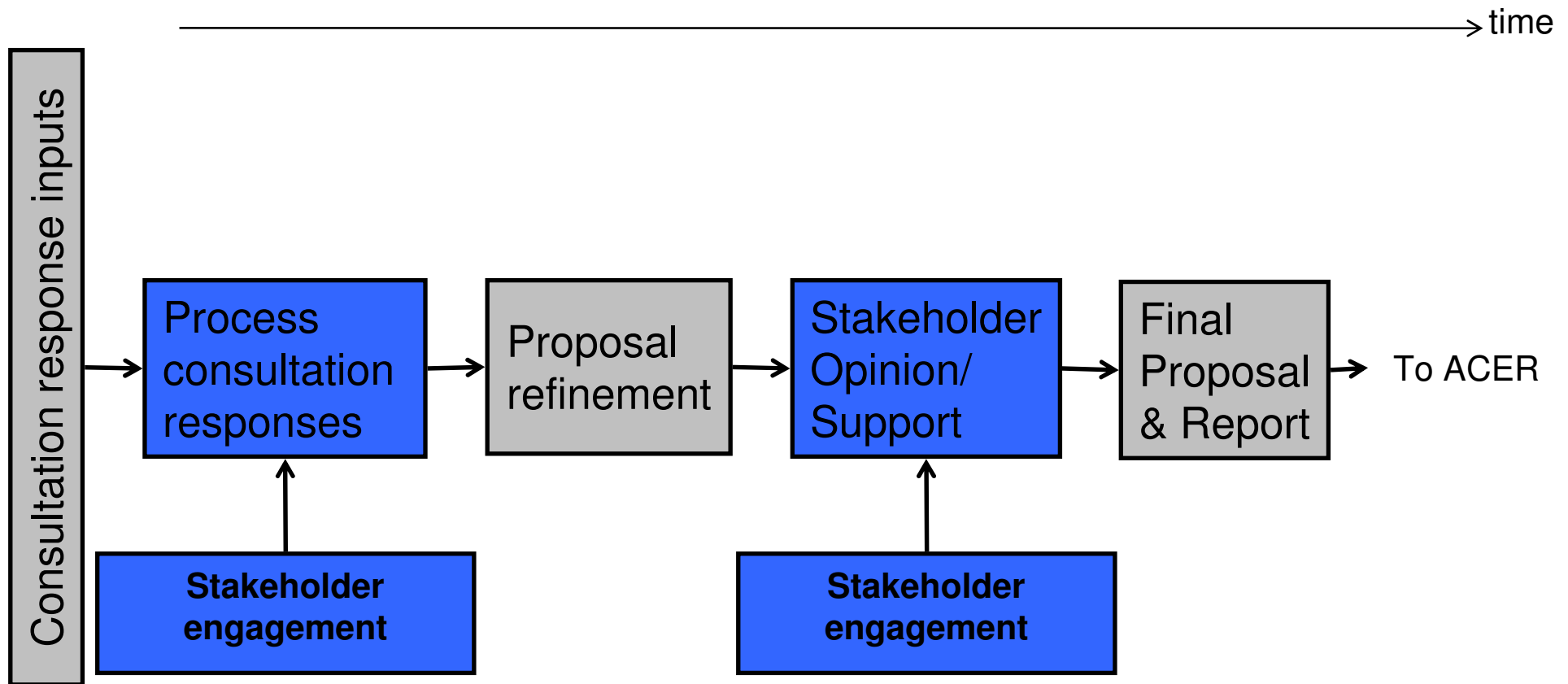
# Formal development process



# Code Proposal Development Process Stage



# Code Finalisation Stage



*Stakeholder input comprises opportunity for*

- all stakeholders to deliver final opinion*
- associations to support or reject*