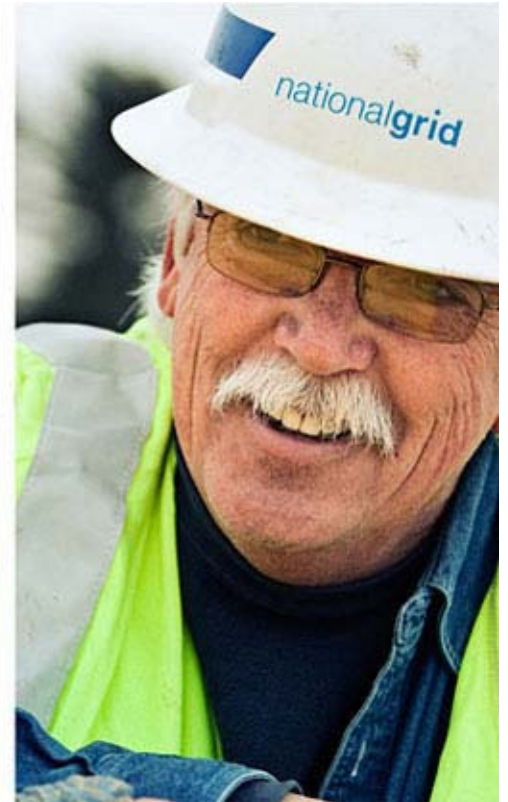


European Network of Transmission System Operators for Electricity (ENTSO-E)

GCRP - November 2009



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Contents

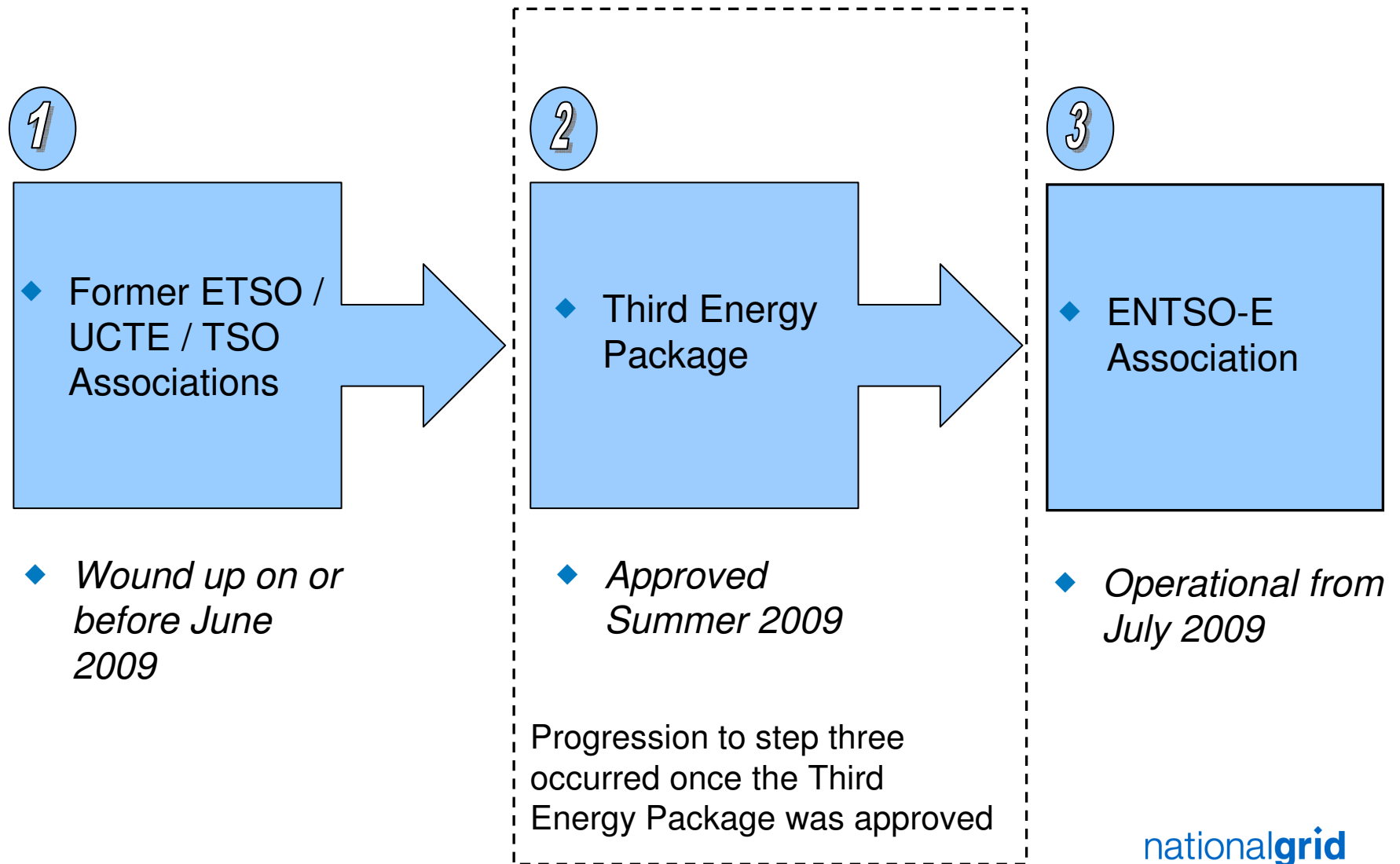
- ◆ Who are ENTSO-E?
- ◆ Background and legal standing
- ◆ Activities and Remit
 - ◆ European Network Code Development
 - ◆ Input to ENTSO-E
- ◆ Timescales and Consultation



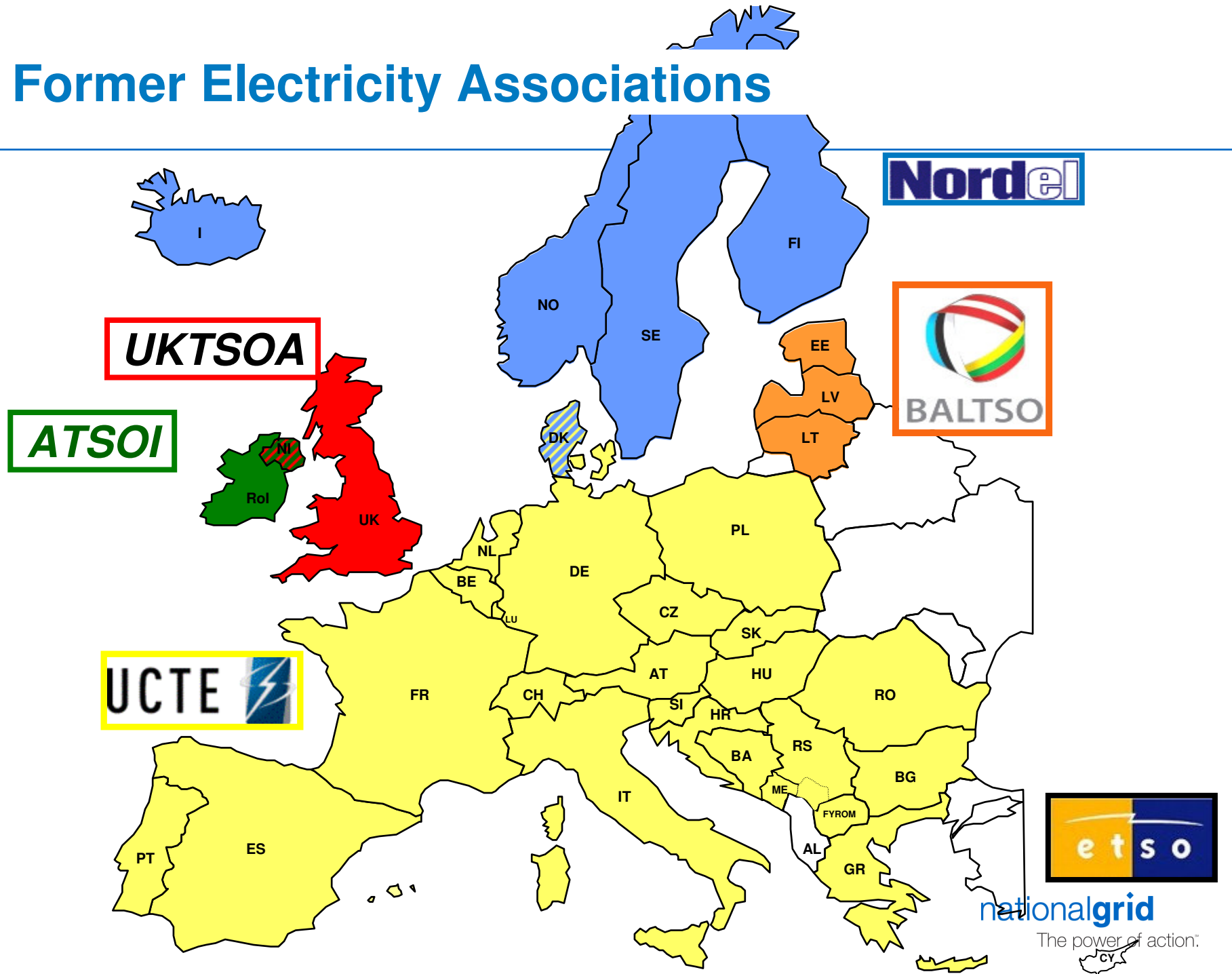
Introducing ENTSO-E

- ◆ New electricity association representing TSO member interests throughout Europe, based in Brussels
- ◆ Formal Legal Advisory body to the European Commission
- ◆ Fairly wide remit, including the responsibility for developing EU-wide Network Codes
- ◆ Mandatory TSO participation, with 42 members

Background – Evolutionary Process

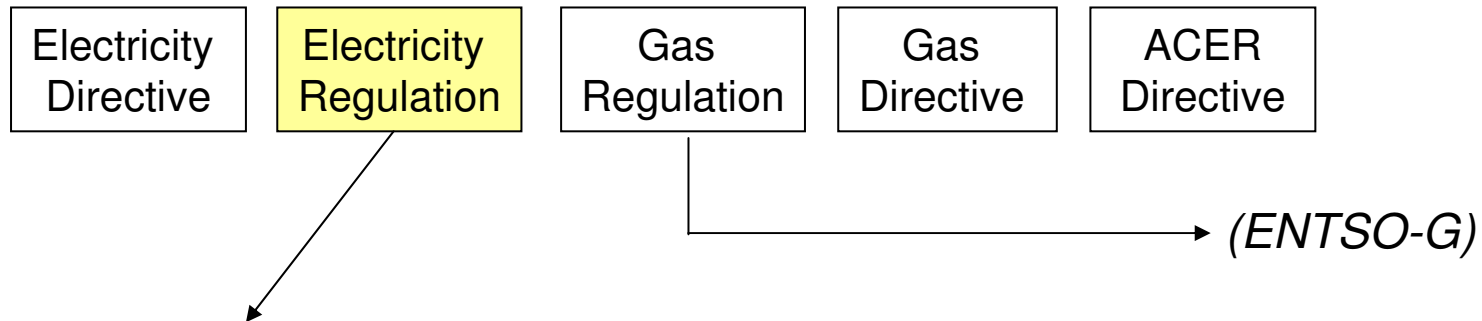


Former Electricity Associations



Third Energy Package

- ◆ The Third Energy package was introduced to further enhance the progression of a European liberalised energy market, and in doing so proposed five pieces of legislation



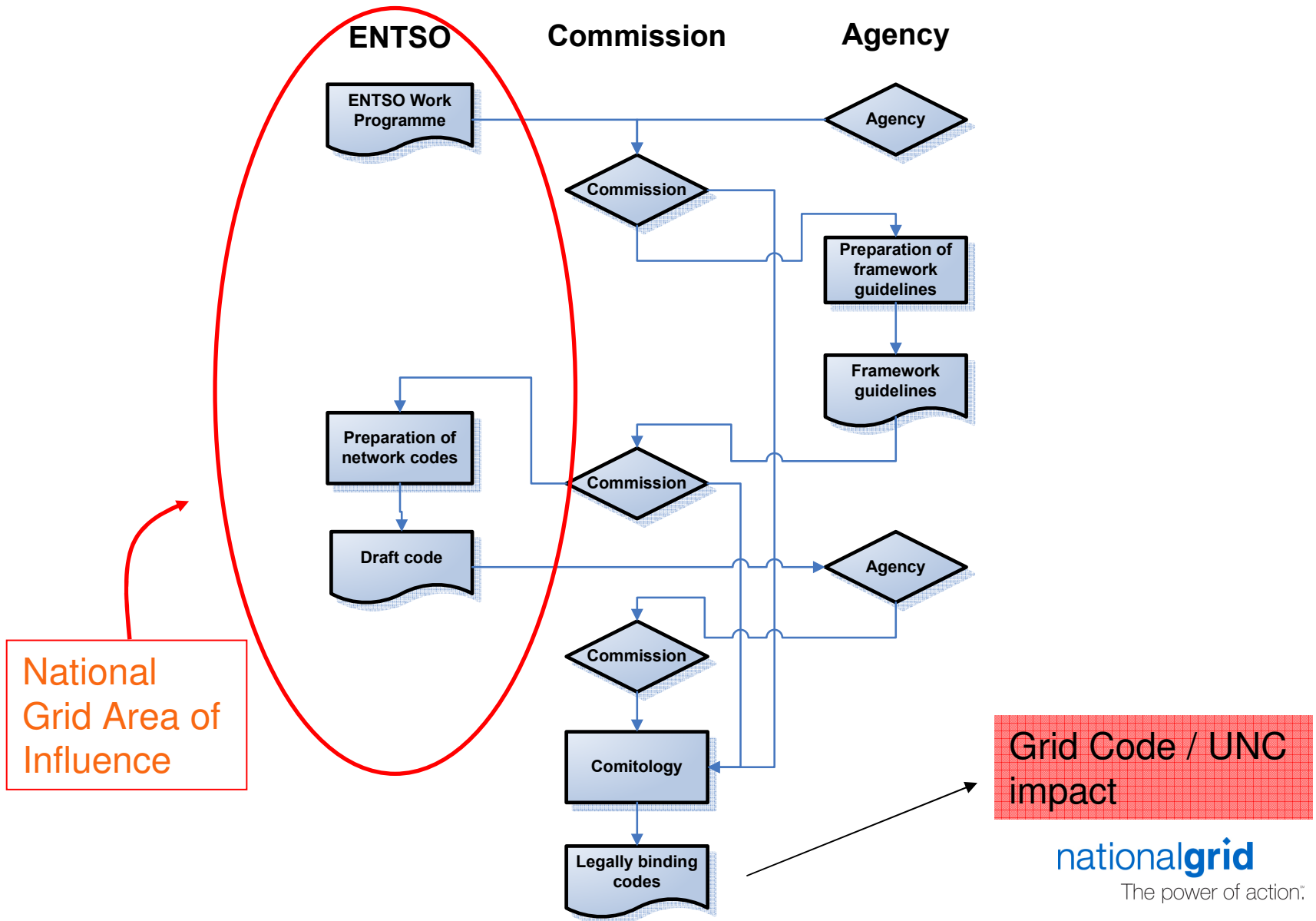
- ◆ Amendement to 1228/2003 requires:
 - ◆ “All Transmission system operators **shall** cooperate at Community level through establishing the European Network of Transmission System Operators for Electricity in order *to promote the completion of the internal market for electricity and* to ensure the optimal management and sound technical evolution of the European electricity transmission network..”
 - ◆ Includes developing network codes which may become binding

Legislative Requirements

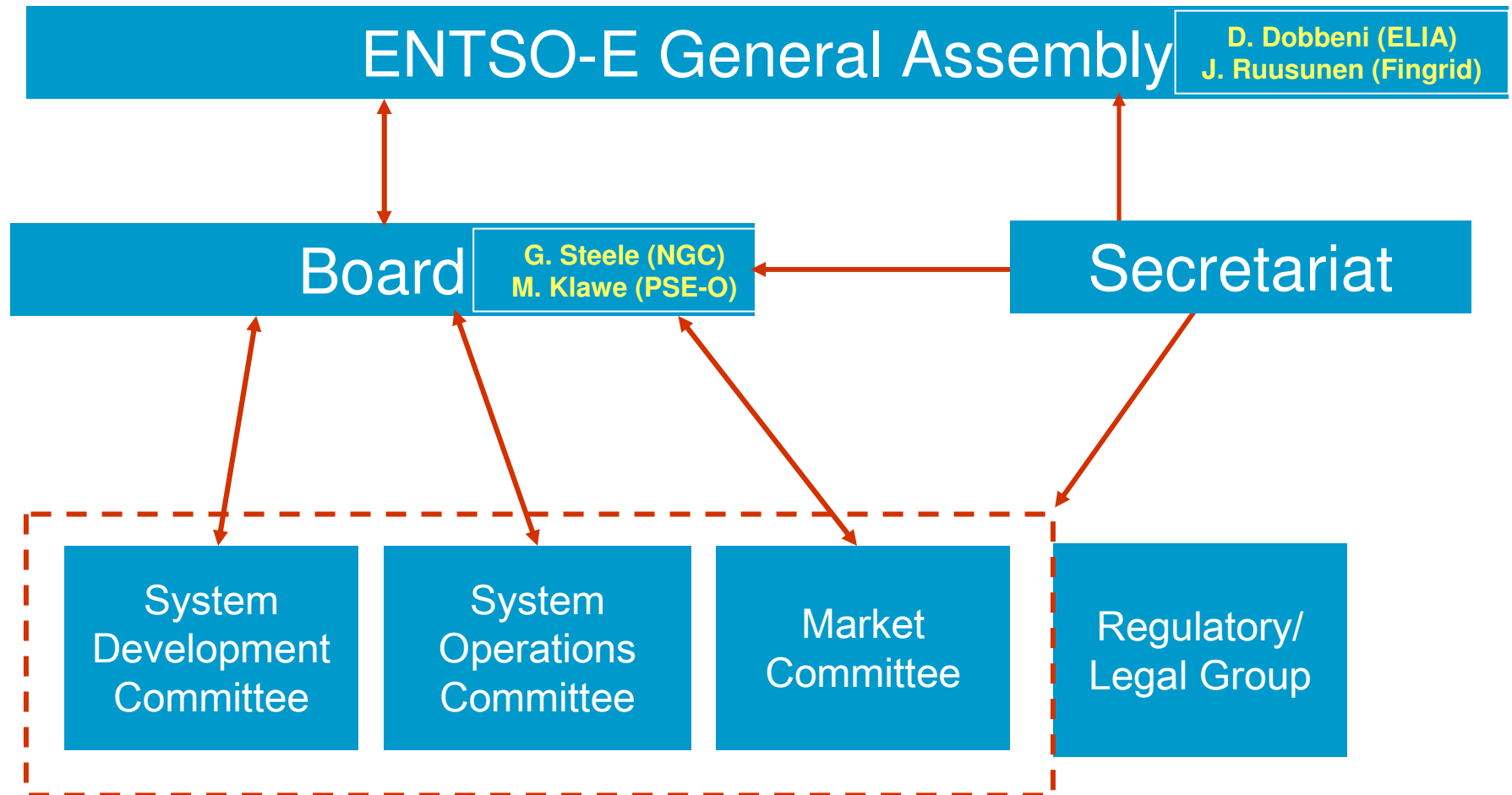
- ◆ ENTSO-E are requirement to develop:
 - ◆ Common network operation tools and research plans
 - ◆ 10-year network development plan, every 2 years
 - ◆ Annual work programme
 - ◆ Annual report
 - ◆ Annual summer and winter supply outlooks (supply/adequacy)
- ◆ In addition, there are twelve code areas which it will be asked to develop over the coming years.

- ◆ Network security and reliability rules including rules for technical transmission reserve capacity for operational network security;
- ◆ Grid connection rules;
- ◆ Third party access rules;
- ◆ Data exchange and settlement rules;
- ◆ Interoperability rules;
- ◆ Operational procedures in an emergency;
- ◆ Capacity allocation and congestion management rules;
- ◆ Rules for trading related to technical and operational provision of network access services and system balancing;
- ◆ Transparency rules;
- ◆ Balancing rules including network related reserve power rules;
- ◆ Rules regarding harmonised transmission tariff structures including locational signals and inter-TSO compensation rules;
- ◆ Energy efficiency regarding electricity networks

Process for Code Development



ENTSO-E Structure



Timescales and Industry Input

- ◆ Annual work areas are currently underway
- ◆ Code development areas require framework guidelines to be initiated
 - ◆ ENTSO-E Development of Pilot Code
 - ◆ At present, initial framework guidelines expected from mid/late 2010 onwards
- ◆ Input from all industry parties through formal EU-wide consultation process
 - ◆ Stakeholder workshops anticipated
 - ◆ On occasion, regional specific consultations
- ◆ Equivalent ENTSO-G Gas body also under development

Questions

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