

Proposal for a Joint Standing Group to Coordinate Application of European Network Codes across GB Codes



July 2013

Application of ENCs to GB Codes

- There are 9 European Network Codes due to become law during 2014 in a phased manner.
- GB will have 18 months – 3 years to demonstrate compliance (varies code-by-code)
- Alignment with GB Codes will aid application and compliance
- GB Code panels will retain their role to make changes to individual codes – strong feedback from all parties was to use existing processes
- **A complex programme with a significant risk, which needs cross-code coordination**

Developing a Proposal for a Coordination Body

- JESG Action #130 – ‘NGET to consider options for cross-code coordination during GB Application of ENC’s’
- Options for a cross-code coordination body were presented to JESG in May:
 - Proposal refined following stakeholder feedback, to form paper/presentation
- The aim is to establish Coordination Group by Sept/Oct 2013 to allow ‘pre-work’ before first ENC’s complete Comitology.

Proposed: European Code Coordination Application Forum

- Advises the Code Panels on matters of coordination of application of European Network Codes to GB Codes
- No firm legal or governance role
- Constituted as a joint standing group of 9 code panels
 - Grid Code, CUSC, BSC, SQSS, STC, D-Code, DCUSA
- Membership:
 - 7 industry members representing Code Panels
 - National Grid, Consumer Futures, DECC, Ofgem
 - Chair appointed by DECC and Ofgem
 - Technical Secretary / Admin provided by National Grid

Process for establishing ECCAF

July
2013

Stage 1

Paper presented to Panels/JESG for comment
Panels to start to consider possible nominees

Stage 2

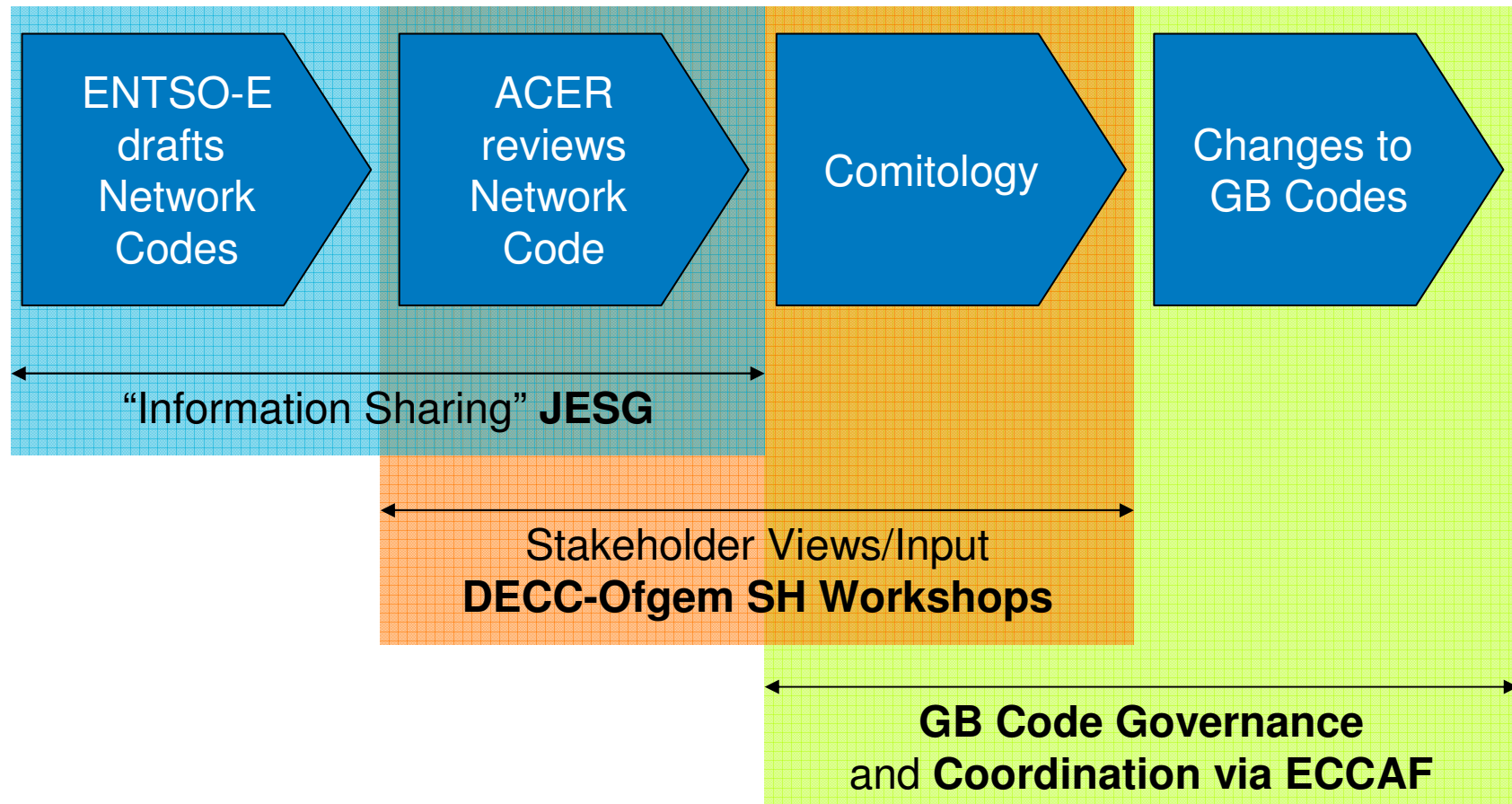
Panels asked to approval final Terms of Reference
Panels to make nominations

August
2013

Sept / Oct
2013

First meeting of ECCAF

How does the ECCAF fit with other bodies



Paper - Submitted to Code Panels and JESG

- Contents:
 - Background
 - Process
 - Draft Terms of Reference
 - FAQs
- Panels asked for feedback on draft ToR by 1 August 2013
- Revised ToR will be circulated for approval at c.August Panel meetings

Proposal for a Joint Standing Group to Coordinate Application of European Network Codes across GB Codes

Paper submitted to the BSC, CUSC, Grid Code, STC, SQSS, D-Code and DCUSA panels

Executive Summary

This paper proposes the creation of a new cross-code standing group to advise the Code Panels on the application of European Network Codes to the GB Codes and to provide cross-code coordination. The initial trigger for considering this group was an action at the Joint European Standing Group. The proposed coordination group will have no legal standing or governance role. The draft Terms of Reference for the body are appended.

Code Panels are invited to agree in principle to the creation of the group and to provide comments on the draft Terms of Reference. Following consideration by all Code Panels the Terms of Reference will be revised and resubmitted to the Code Panels for approval.

Establishment of the new coordination body is sought by Quarter 4 2013. The first of the European Network Codes is expected to complete Comitology in Quarter 1 2014.

Background

European Network Codes (ENCs) are being developed by ENTSO-E (European Network of Transmission System Operators for Electricity) under the Third Energy Package, and specifically Regulation (EC) No 714/2009. The ENCs cover three broad areas: grid connections, a single European market for electricity, and system operation.

These ENCs will have potentially wide reaching impacts on the GB electricity industry, on both the Transmission and Distribution networks, and for generators, demand customers, network operators, interconnectors, suppliers, manufacturers and other industry parties.

The objective of the European Commission is to deliver the first nine ENCs and the single European market for electricity by the end of 2014. The expectation is therefore that these codes will become European law during 2014 which will be followed by a main implementation period of 18 months to 3 years.

The ENCs are expected to become 'supplementing regulations' in Annex I of Regulation (EC) No. 714/2009¹, having the same legal force as the European Regulation. As European law the ENCs will take precedence over all existing GB law and Codes.

GB will need to demonstrate compliance with the ENCs to the European Commission. To achieve this in an efficient manner, to understand the changes required, and to allow stakeholders to reference a minimum number of documents, existing GB Codes will be modified to ensure they are compliant with the ENCs. In this way demonstrating compliance with the GB Codes will ensure compliance with the ENCs.

Application of the ENCs to GB will be a complex and time consuming process. The nine ENCs which are expected to become law during 2014 are anticipated to require changes to all seven of the GB Codes. Therefore, there is a need for a coordination body to advise the Code Panels of the individual GB Codes on the changes required to the GB framework and how this will be implemented.

A new Coordination Body

National Grid presented a proposed option to set up a body for coordination of the application of the ENCs to the GB Codes to the May 2013 meeting of the JESG. There was broad agreement among JESG members present that such a body would be beneficial. However, a few points were noted at

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ.L.2009.211.0015.0035.EN.PDF>

Any Comments or Questions?

- Comments are invited on the **draft Terms of Reference**
- Please send comments to:
 - europencodes.electricity@nationalgrid.com
- **Deadline:** 1 August 2013.



Annex:

Feedback from Code Panels on European Network Code Application

- Use existing processes as far as possible
- Range of GB codes/instruments to take into account clearly needs careful coordination across the codes
- Staggered nature of ENC drafting while understandable makes achieving an aligned, efficient solution harder
- Very challenging timescales
- ...possibly compounded by resource issues (from all parties)
- Need for consultation during national application/implementation
- Cost recovery is a common theme; codes clarify this for TSOs (subject to NRA approval) but not other stakeholders
- Should not simply be a raising of the bar – review and align with existing requirements
- Retrospectivity needs to be understood (particularly for generators)
- The process for future code revisions needs clarification