

**Grid Code Review Panel**  
**TERMS OF REFERENCE FOR**  
**EUROPEAN CODE COORDINATION APPLICATION FORUM (ECCAF)**

**Date Raised:** 09 August 2013

**GCRP Ref:** pp13/57

A Panel Paper by Paul Wakeley and Rob Wilson  
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**Summary**

A paper was circulated to the GB Code Panels in July 2013 entitled 'Proposal for a Joint Standing Group to Coordinate Application of European Network Codes across GB Codes'. (GCRP Paper pp13\_38)

This paper is a follow-up paper containing the revised Terms of Reference for the proposed European Code Coordination Application Forum (ECCAF) for GCRP's agreement. The Terms of Reference are also being sent to the Panels of the BSC, CUSC, STC, SQSS, D-Code and DCUSA for approval.

For background to the proposal, please refer to GCRP Paper pp13\_38.

**Users Impacted**

**High**

None

**Medium**

None

**Low**

None

**Description & Background**

**Background**

A paper was circulated to the GB Code Panels in July 2013 entitled 'Proposal for a Joint Standing Group to Coordinate Application of European Network Codes across GB Codes'. (GCRP Paper pp13\_38). The original paper requested comments on the draft Terms of Reference to be submitted to National Grid by 1 August 2013 and contained background material which has not been duplicated in this paper.

This paper is a follow-up paper containing the revised Terms of Reference for the proposed European Code Coordination Application Forum (ECCAF).

Following receipt of comments on the draft Terms of Reference for ECCAF, they have been revised and the final version is presented in Appendix 1. This paper also contains details of the changes made to the Terms of Reference as a result of comments received from the various Code Panels (Appendix 2) and a revised FAQ (Appendix 3).

**Establishing ECCAF**

Once the Terms of Reference have been agreed by all the Code Panels, it is expected the European Code Coordination Application Forum will hold its first meeting in Autumn 2013 (likely October 2013) in advance of the first of the ENCs completing Comitology which is expected to be in Q1/Q2 2014.

It is proposed to hold ECCAF meetings near the beginning of the month to allow timely reporting to the Code Panels. Meetings will be held in London or at National Grid House, Warwick as agreed by ECCAF.

### **Broader Stakeholder Engagement**

A recurring theme in the comments received was how the broader stakeholder community will be engaged with the changes to the GB Codes arising from the European Network Codes, given the ECCAF has a small defined membership to undertake the defined strategic coordination role.

It is envisaged that broader stakeholder engagement can be achieved through a number of mechanisms through the code application process:

- Through the existing Code Governance processes including workgroups and consultations;
- By permitting observers to attend the ECCAF Meetings (the Terms of Reference have been slightly revised to allow this), and publishing the work of ECCAF, as appropriate, to a website; and
- Through the existing DECC-Ofgem Stakeholder Workshops;

The existing forum for National Grid to share information on the draft phase of the ENTSO-E Network Codes is the JESG (Joint European Standing Group). This group was set up in August 2011 to facilitate information sharing with the industry. The current remit of the JESG is explicitly stated in the JESG Terms of Reference<sup>1</sup> as covering information sharing associated with Network Codes during their ENTSO-E development.

**In order to provide an effective broader information sharing forum in parallel to the ECCAF, it is proposed that the scope of existing stakeholder meetings including the JESG be reviewed with a view expanding the information that can be shared.**

It is anticipated that the information will need to be shared with the broader industry through an appropriate forum:

- Information on ENTSO-E Code Development, shared by National Grid (presently JESG);
- Information on ACER Review of the Network Codes, shared by Ofgem (presently JESG);
- Information on the Comitology process and developments shared by DECC, National Grid and Ofgem as appropriate (new information);
- Reports from ECCAF on GB Application of the European Codes (new information).

<sup>1</sup> [http://www.nationalgrid.com/NR/rdonlyres/8B65F3E3-A04A-4953-884F-980E14252046/57676/JESGTOR\\_22Nov12\\_ApprovedbyBSC\\_CUSC\\_GCRPv2.pdf](http://www.nationalgrid.com/NR/rdonlyres/8B65F3E3-A04A-4953-884F-980E14252046/57676/JESGTOR_22Nov12_ApprovedbyBSC_CUSC_GCRPv2.pdf)

**Proposed Solution**

Creation of a Joint Standing Group to Coordinate Application of European Network Codes across GB Codes, the Final Terms of Reference for which are attached.

**Assessment against Grid Code Objectives**

Not applicable as there are no changes being proposed to the Grid Code.

**Impact & Assessment**

Not applicable as there are no changes being proposed to the Grid Code.

**Supporting Documentation**

Have you attached any supporting documentation YES

- Appendix 1: Final Terms of Reference for ECCAF,
- Appendix 2: Details of changes made to the Terms of Reference as a result of comments received from the various Code Panels,
- Appendix 3: Revised FAQs.

**Recommendation**

The Grid Code Review Panel is invited to:

- Agree the final Terms of Reference for ECCAF, and
- To propose the nomination of their representative to ECCAF.

# APPENDIX 1

**Terms of Reference:**  
**European Code Coordination Application Forum**  
**For approval by GB Code Panels**

## Definitions

1. GB Codes comprise the following codes, standards and agreements:
  - a. Balancing and Settlement Code (BSC),
  - b. Connection and Use of System Code (CUSC),
  - c. Grid Code,
  - d. System Operator Transmission Owner Code (STC),
  - e. National Electricity Transmission System Security and Quality of Supply Standards (NETS SQSS),
  - f. Distribution Code (D-Code), and
  - g. DCUSA (Distribution Connection and Use of System Agreement).
2. 'Code Panels' refers to those panels established for each of the GB Codes under the governance of the individual codes, standards and agreements.
3. European Network Codes (ENCs) include network codes and similar instruments prepared under Article 6 of Regulation (EC) No 714/2009, and are expected to be implemented as a supplementing regulation in Annex I of Regulation (EC) No 714/2009.
4. Application of ENCs to the GB Codes refers to demonstrating compliance of the GB Codes with the ENCs and, where necessary, making changes to the GB Codes.

## Purpose, Objectives and Responsibilities

5. The European Code Coordination Application Forum (ECCAF) is established as a joint standing group of the Code Panels.
6. The purpose of ECCAF is to provide a forum for discussion of matters relating to the coordination of efficient Application of ENCs to the GB Codes and to provide advice to the Code Panels on these matters, specifically advising and reporting to the Code Panels on:
  - a. which aspects of the GB Codes need to be changed to comply with ENCs;
  - b. the coordination of application across the GB Codes;
  - c. the coordination of application across the ENCs;
  - d. timescales for complying with ENCs and for changing GB Codes;
  - e. risks and issues associated with implementing the ENCs; and
  - f. areas where further consultation with the industry may be required.
7. ECCAF shall own, develop, agree and maintain a delivery strategy which outlines how the requirements of the ENCs shall be applied across the GB Codes.
8. ECCAF is a purely advisory body and consequently:
  - a. The body has no legal or governance role;
  - b. Code Panels retain their existing roles and obligations in the governance and modification of the GB Codes; and
  - c. The advice of ECCAF when engaging with the Code Panels is not binding.
9. ECCAF is not a forum to discuss the contents or drafting of the ENCs with stakeholders. Separate forums are provided for this function during drafting of the ENCs (Joint European Standing Group) and during Comitology (DECC-Ofgem European Stakeholder Group).

### Chair

10. The ECCAF Chair shall be appointed by DECC and Ofgem.

### Membership

11. The membership of ECCAF shall comprise the Chair, Technical Secretary and 11 members appointed as follows:
  - a. Seven industry members, one appointed by each of the following Code Panels:
    - i) BSC Panel;
    - ii) CUSC Panel;
    - iii) D-Code Panel;
    - iv) DCUSA Panel.
    - v) Grid Code Review Panel;
    - vi) SQSS Review Panel;
    - vii) STC Review Panel;
  - b. Four members, one representing each of the following parties:
    - i) National Consumer Council (Consumer Futures);
    - ii) National Grid, as NETSO;
    - iii) Ofgem;
    - iv) Department of Energy & Climate Change (DECC).
12. Code Panels shall coordinate the appointment of their representatives to ensure that a broad cross-section of the electricity industry and companies are represented in the membership of ECCAF. Nominated individuals shall have the relevant skills and experience to allow them to actively participate in the functions of ECCAF. The ECCAF Chair may request a review of Code Panel nominees to ensure an appropriate cross-section of the electricity industry, companies and skills are represented in the membership of ECCAF.
13. Members of ECCAF may appoint an alternative person to attend meetings in their absence whilst respecting the provisions in paragraph 12.
14. Administrators of each of the GB Codes are invited to attend ECCAF meeting as technical advisors when deemed necessary by the ECCAF Chair.
15. Industry Parties, trade associations, Administrators of the GB Codes and other interested parties such as the Gas UNC Code Administrator may attend ECCAF meetings as observers by notice to the ECCAF Secretary. The ECCAF Chair may limit the number of observers at a meeting for practical reasons.
16. The ECCAF Chair may remove any ECCAF member if the member is deliberately and persistently disrupting or frustrating the work of ECCAF. Where a member has been removed the relevant Code Panel will be asked to nominate another member to take their place.

### Meetings

17. ECCAF will meet in person, but may decide to hold meetings with teleconference facilities by agreement of the Chair and majority of the membership.
18. Meetings of ECCAF will be held on a required basis; monthly in the first instance. Meeting frequency will be reviewed on a regular basis, as decided by ECCAF Chair, in consultation with Code Administrators and ECCAF members, as appropriate.
19. ECCAF may establish subgroups to consider specific issues in further detail. Membership of the subgroups may be drawn from ECCAF members and from other Industry Parties. These subgroups will report to ECCAF.
20. ECCAF shall develop and adopt its own internal working procedures and upon request will provide copies to the Code Panels.

#### Meeting Administration

21. National Grid will act as the administrator of ECCAF and will provide the Technical Secretary. National Grid will maintain a list of ECCAF members and an electronic distribution list.
22. Emails to ECCAF will be sent from a dedicated account ([europencodes.electricity@nationalgrid.com](mailto:europencodes.electricity@nationalgrid.com))
23. National Grid will circulate and publish meeting agendas prior to each meeting and a summary report, actions log and issue log after each meeting.
24. Meeting documentation will be published on a dedicated webpage, hosted on National Grid's website.
25. Where ECCAF requires instruction, clarification or guidance from the Code Panels, particularly in relation to their Terms of Reference, the Chair shall contact the Panel Secretaries.

#### Reporting

26. In executing functions defined in paragraph 6, the representatives of the Code Panels identified in paragraph 11.a shall report to their respective Code Panels. The ECCAF Chair shall also report to the Joint European Standing Group.
27. The ECCAF Chair shall ensure that reporting occurs in accordance with paragraph 26, and can delegate responsibilities to another ECCAF member if appropriate.

#### **End of Terms of Reference**

## APPENDIX 2

### Changes to the Terms of Reference from the version circulated in July 2013

The following changes have been made to the Terms of Reference based on the feedback received from Code Panels and their members.

Section	Nature of Change	Reason	Panel	Change	Draft Terms of Reference Text	Final Terms of Reference Text
6	Minor	ECCAF should not seek to gold-plate any solutions. The Government launched a new approach to transposing European legislation in to GB law in 2010, whereby they would avoid 'gold-plating' the implementation. Gold plating is, in the European Commission's own words, "exceeding the requirements of EU legislation when transposing Directives into national law" <sup>2</sup> .	JESG	Added 'efficient' prior to coordination.	The purpose of ECCAF is to provide a forum for discussion of matters relating to the coordination of Application of ENC's to the GB Codes and to provide advice to the Code Panels on these matters, specifically advising and reporting to the Code Panels on:	The purpose of ECCAF is to provide a forum for discussion of matters relating to the coordination of efficient Application of ENC's to the GB Codes and to provide advice to the Code Panels on these matters, specifically advising and reporting to the Code Panels on:
12	Substantive	As well as a broad-cross section of the electricity industry, there should also be a variety of companies represented.	STC	Added 'and companies' after 'cross-section of the electricity industry'	Code Panels shall coordinate the appointment of their representatives to ensure a broad cross-section of the electricity industry is represented in the membership of ECCAF. Nominated individuals shall have the relevant skills and experience to allow them to actively participate in the functions of ECCAF.	Code Panels shall coordinate the appointment of their representatives to ensure that a broad cross-section of the electricity industry and companies are represented in the membership of ECCAF. Nominated individuals shall have the relevant skills and experience to allow them to actively participate in the functions of ECCAF. The ECCAF Chair may request a review of Code Panel nominees to ensure an appropriate cross-section of the electricity industry, companies and skills are represented in the membership of ECCAF.
	Substantive	A mechanism is required to allow a review of the membership, should i) the Code Panels fail to provide a broad cross-section or ii) the requirements of ECCAF change over time.	JESG GCRP SQSS	Additional clause added at the end of the paragraph		
13	Substantive	A mechanism for appointing alternate members in the case of absence of the member is required.	JESG GCRP	New clause added		Members of ECCAF may appoint an alternative person to attend meetings in their absence whilst respecting the provisions in paragraph 12.

<sup>2</sup> Commission Communication: Review of the "Small Business Act" for Europe, COM(2011) 78 final, 23 February 2011.

Section	Nature of Change	Reason	Panel	Change	Draft Terms of Reference Text	Final Terms of Reference Text
14	Substantive	The Code Administrator representation should be more formal (rather than just observer status) to allow them to provide technical advisor to the forum. This will allow them to advise on the detail of GB Code Governance.	BSC JESG GCRP	Clause reworded to permit Code Administrators to be 'technical advisors'. The further role of Code Administrators as 'observers' now falls under 15 (see below).	Administrators of each of the GB Codes are invited to provide an observer to attend the meetings. Where possible, Administrators are asked to coordinate their attendance to minimise the number of observers present at any given meeting.	Administrators of each of the GB Codes are invited to attend ECCAF meeting as technical advisors when deemed necessary by the ECCAF Chair.
15	Substantive	In order to ensure transparency, any industry party should be able to attend the meeting without prior approval.	JESG GCRP	Rewritten to allow industry parties to attend as observers, without needing to be nominated.	The ECCAF Chair, Ofgem or DECC are able to add observers to the group, by notice to the ECCAF secretary. Such observers may include relevant trade associations.	Industry Parties, trade associations, Administrators of the GB Codes and other interested parties such as the Gas UNC Code Administrator may attend ECCAF meetings as observers by notice to the ECCAF Secretary. The ECCAF Chair may limit the number of observers at a meeting for practical reasons.
	Substantive	The Gas UNC Code Administrator may be a useful observer to allow synergies to be gained between Gas and Electricity Codes	GCRP	Added Gas UNC Code Administrator as an example party		
17	Minor	Members should have the opportunity to dialling in to the meeting, if agreed by the membership.	DCUSA	Changed 'by teleconference' to 'with teleconference facilities'	ECCAF will meet in person, but may decide to hold meetings by teleconference with agreement of the Chair and majority of the membership.	ECCAF will meet in person, but may decide to hold meetings with teleconference facilities by agreement of the Chair and majority of the membership.
19	Minor	Need to explicitly state that the membership of ECCAF subgroups may be drawn from broad Industry Parties and not just those members identified under Paragraph 11.	JESG GCRP	Additional clause added.	ECCAF may establish subgroups to consider specific issues in further detail. These subgroups will report to ECCAF.	ECCAF may establish subgroups to consider specific issues in further detail. Membership of the subgroups may be drawn from ECCAF members and from other Industry Parties. These subgroups will report to ECCAF.



Section	Nature of Change	Reason	Panel	Change	Draft Terms of Reference Text	Final Terms of Reference Text
26	Minor	To require the ECCAF Chair to report to the JESG to keep the JESG and broader industry informed of the work of ECCAF.		Additional clause added.	In executing functions defined in paragraph 6, the representatives of the Code Panels identified in paragraph 11.a shall report to their respective Code Panels.	In executing functions defined in paragraph 6, the representatives of the Code Panels identified in paragraph 11.a shall report to their respective Code Panels. The ECCAF Chair shall also report to the Joint European Standing Group.

In addition minor editorial changes have been made to Sections 4 (to correct an erroneous comma), 22 (to remove the extraneous 'the'), and 27 (to remove the typographical error, replacing responsibly with responsibilities).

### Frequently Asked Questions

These FAQs have been put together to provide further information on the European Code Coordination Application Forum (ECCAF) and its interactions with the Code Panels and the wider industry.

1. *What is the relationship between the ECCAF and the individual Code Panels?*

The establishment of the ECCAF does not change the governance of any of the GB Codes. The ECCAF is an advisory body which is designed to assist the individual Code Panels in successfully implementing changes required to ensure compliance with the ENCs.

2. *What would the governance arrangements for ECCAF be?*

The governance arrangements for the ECCAF are dealt with in the draft Terms of Reference.

3. *Who holds the obligation to implement ENCs?*

The ENCs are expected to become supplementing regulations within Regulation (EC) No. 714/2009, and will have the force of European legislation.

NGET has licence obligations, to ensure that the Transmission Codes comply with relevant legislation including European legislation. Similar obligations existing within the Standard conditions of the Electricity Distribution Licence for Distribution Licensees.

4. *Who would actually set up the ECCAF?*

The group will be setup as a standing group of the individual Code Panels, as per the Terms of Reference and the process outlined in this paper.

The Chair of ECCAF is to be appointed by DECC and Ofgem. This provides the role of the Chair with a level of independence from the Code Panels, Code Administrators and industry parties

5. *Who can be appointed by the Code Panels to represent the Panels on ECCAF?*

Individual nominees are the responsibility of the individual Code Panels. In adopting nominees to fulfil the roles in paragraph 11.a, the Code Panels should note:

- The individual nominated can be a member of the Code Panel, but is not required to be (paragraph 11.a, uses the phrase 'appointed by' to allow this);
- Nominees should be coordinated across Panels to ensure a broad-cross section of the industry is represented on ECCAF (paragraph 12);
- Nominees should have the relevant skills and experience to allow them to actively participate in the functions of ECCAF (paragraph 12).

As National Grid has a position on ECCAF as NETSO (paragraph 11.b.ii), it is not expected that an individual from National Grid would be the representative from any of the individual Code Panel under paragraph 11.a.

6. *How would the experts be selected /appointed*

The selection and appointment of experts is dealt with the proposed Terms of Reference. It is proposed that membership of the ECCAF be drawn from individual nominees provided by Code Panels coordinated to represent the breadth of the electricity industry, and individuals with relevant skills and experience be appointed.

7. *Would the concept be supported by the organisations likely to field the prospective members?*

There was agreement for the concept of a coordination body at the JESG in May 2013. The need for coordination in application of ENC's has also been understood by Code Panels when Rob Wilson has spoken to them. Whether resources will be provided is, as yet, unknown and an issue for industry parties.

8. *Does the industry have enough resources to populate such a group and be engaged in drafting the changes?*

The risks of not coordinating the application of ENC's to GB Codes are significant and could result in GB being in breach of European law. It is also likely that using a single coordination group may result in individual Code Panels having a lower workload at the strategic level and hence can focus on changes required to their individual codes.

9. *Wouldn't the changes be included within the scope of the Code Governance arrangements – Significant Code Review?*

Changes to the GB Codes through the current SCR are not expected to deliver changes to the modification process to enable formal coordination in a sufficient timescale. From Q1 2014 there is expected to be known changes to be made when the first ENC completes Comitology. Prior to this the coordination function needs to be established and be prepared for the work they face going forward.

No indication has been provided that a SCR is being planned for implementing the ENC's, and standard governance procedures are expected to be used.

10. *Why is the advice of ECCAF not binding on Code Panels?*

In order to make advice from ECCAF binding on Code Panels, this would require a change to the governance roles of the Code Panels.

Therefore, to avoid needing to make such changes, and to use existing governance wherever possible, ECCAF is constituted as an advisory forum. A corollary of this is that the advice is not binding.

11. *Would there be any risks that the panels simply decide that they can't implement the changes as they don't have the resources?*

The Code Panels retain the responsibility for making changes to their individual Codes. If the standard modification process fails to make the necessary changes to GB Codes within an appropriate timescale then Ofgem has the power under the Third Energy Package to direct changes to the GB Codes to ensure compliance with the ENC's. This has already happened with a recent change to the Gas UNC where the normal governance procedures were unable to deliver the changes in an appropriate timescale, meaning instead Ofgem directed the changes to the UNC to ensure compliance.

The industry view is to use normal governance wherever possible and ECCAF is designed to facilitate this.

12. *Why are Transmission and Distribution Codes included?*

The requirements in the ENC's will have impacts on all parts of the GB electricity industry including transmission and distribution. Moreover, the ENC's do not always distinguish requirements based on the GB split between Transmission and Distribution adding further complexity.

For example in the ENC Requirements for Generators (RfG)<sup>3</sup> a Type D Generating Module<sup>4</sup> is defined as a plant with output above 30MW or connected above 110kV. Consider the following three examples to highlight complexity of application:

- A 50MW plant connected at 66kV is captured as Type D under RfG (by virtue of its size) but is Distribution connected throughout GB.
- A 20MW plant connected at 132kV is captured as Type D under RfG (by virtue of its connection voltage), but is Transmission connected in Scotland and Distribution connected in England and Wales.
- A 50MW plant connected at 275kV is captured as Type D under RfG (by virtue of size and connection voltage), and is considered Transmission Connected throughout GB.

*13. How is the transparency of the work of ECCAF ensured?*

There is no intention to obscure the make the work of ECCAF from the rest of the industry. The membership of ECCAF is designed to be small so that it can efficiently deliver the tasks that it has been asked by the Code Panels to do.

Other Industry Parties are welcome to engage with ECCAF in a number of ways:

- As an observer at meetings (see revised paragraph 15);
- As a participant in a subgroup of ECCAF (see revised paragraph 19);
- Through the Code Panels to which ECCAF reports (see paragraph 26);
- In further consultations identified by ECCAF (see clause 6.f).
- At other industry forums such as the Joint European Standing Group (JESG).

Moreover, the work of ECCAF does not preclude individual Code Panels from holding workgroups or issues groups, or from other such bodies being formed by the industry, National Grid, DECC or Ofgem.

*14. Why can the ECCAF Chair request a review of the membership of ECCAF*

It is recognised that a broad cross-section of the electricity industry needs to be represented on ECCAF. Also it is acknowledged that we do not know at this stage precisely what skill and attributes are going to be required from members to exercise the role of ECCAF.

Therefore, allowing a membership review process will provide a mechanism for additional expertise on issues to be sought as required.

*15. How frequent would meetings be?*

ECCAF is envisaged to meet monthly in the first instance, although this is subject to review by the group.

There may be a need for more frequency meeting, or for work at the subgroup level on a more frequent timescale. In addition decisions may be required by circulation / teleconference.

*16. There is a need for guidance in terms of the priorities that need to acted upon.*

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<sup>3</sup> <https://www.entsoe.eu/major-projects/network-code-development/requirements-for-generators/>

<sup>4</sup> A Power Generating Module is a defined in the ENTSO-E Network Code Requirements for Generators (RfG) as either a Synchronous Power Generating Module, or a Power Park Module. These terms are new to the RfG and should not be confused with the term Power Station in Great Britain.

It is acknowledged that there is still a need to define some of the aspects of the 'principles' of application. These will be discussed by ECCAF, likely in consultation with DECC, Ofgem and the industry.