

## Electricity European Network Codes &amp; Guidelines Summary

5 August 2015

Grid Connection Codes

	Requirements for Generators (RfG)	Demand Connection Code (DCC)	High-voltage Direct Current (HVDC)
<b>What does the Code cover</b>	The regulation will set, or lays down a process for setting, the requirements that new generators must meet to connect to the network. It also sets some requirements for existing generators in very limited cases.	The regulation will define requirements for new demand users and distribution network connections to the network.	The regulation will provide requirements for HVDC connections and offshore DC connected generation.
<b>Who may be impact by it</b>	All new generators from 800W and above connected at Transmission and Distribution voltages. A generator is considered new if it connects after 2 years after entry in to force of this regulation, unless it has let contracts for major plant before that 2 year deadline. By exception, the European Network Code can be applied retrospectively to existing generators, subject to successful cost benefit analysis and Regulatory approval.	All new 'significant demand' at Transmission and Distribution voltages. Demand is considered new if it connects after 2 years after entry in to force of this regulation, unless it let contract for major plant before that 2 year deadline. Significant demand is that providing a Demand Side Response Service, or connected to the Transmission Network. The European Network Code can be applied retrospectively to existing equipment, subject to successful cost benefit analysis and Regulatory approval.	Operators of new HVDC links, and new offshore Power Park Modules connected to the onshore Network via HVDC.  The European Network Code can be applied retrospectively to existing equipment, subject to successful cost benefit analysis and Regulatory approval.
<b>Potential GB Framework Impact<sup>1</sup></b>	TBC	TBC	TBC
<b>Latest Text</b>	Member States Adopted Text. See <a href="#">JESG website</a> .	July 2015 Commission draft. See <a href="#">JESG website</a>	July 2015 Commission draft. See <a href="#">JESG website</a>
<b>Network Code or Guideline</b>	Network Code	Network Code	Network Code
<b>Phase of development</b>	Awaiting European Parliament approval and publication in Official Journal of the European Union (OJEU)	Comitology: Cross Border Committee Discussions	Comitology: Cross Border Committee Discussions
<b>Status Update</b>	RfG was adopted by Member States in Comitology on 26 June 2015 and now sits with the European Parliament and Council for approval.  GB Implementation is being considered by <a href="#">GCRP/DCRP RfG Joint Workgroup GC0048</a> ahead of the finalisation of the text.	Updated DCC draft text was released by the Commission to Member States on 9 July 2015. Discussions at the Cross-Border Committee meetings continue.	Updated HVDC draft text was released by the Commission to Member States on 9 July 2015. Discussions at the Cross-Border Committee meetings continue.
<b>Next Milestone</b>	Subject to approval by the European Parliament and Council, RfG is expected to be adopted by Member States in Q4 2015.	Cross-Border Committee voting expected October 2015 (at the earliest).	Cross-Border Committee voting expected September 2015.
<b>GB Stakeholder Issues</b>	DECC and Ofgem Stakeholder workshop held 16 June collating stakeholder issues in relation the latest RfG draft text.  These can be viewed on the <a href="#">JESG Website</a>	DECC and Ofgem Stakeholder workshop held 14 July collating stakeholder issues in relation the latest DCC draft text.	DECC and Ofgem Stakeholder workshop held 16 July collating stakeholder issues in relation the latest HVDC draft text.
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<b>Next Stakeholder Engagement Opportunity</b>	Stakeholders will be engaged via JESG at appropriate stages during the Implementation phase	Stakeholders will be engaged via JESG at appropriate stages during the Implementation phase	Stakeholders will be engaged via JESG at appropriate stages during the Implementation phase

<sup>1</sup> To implement every Regulation there will need to be an initial exercise to determine which elements apply directly, which need additional action to put in place and, where this is the case, which parts of the GB framework will need to change to achieve this. Implementation will see changes being made to interconnector access rules, charging methodologies, industry codes and licences and is likely to require legislation in a limited number of cases.

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## Market Codes

	Capacity Allocation and Congestion Management (CACM)	Forward Capacity Allocation (FCA)	Electricity Balancing (EB)
<b>What does the Code cover</b>	The regulation will lay down the rules for operating pan-European day ahead and intraday markets, and will set out the processes for determining how capacity is calculated, congestion is managed and the criteria and process for reviewing bidding zones.	The regulation will set the rules for calculating and buying capacity in forward markets (before day ahead). It also sets rules for hedging price risk between bidding zones in these markets.	The regulation will define the roles and responsibilities of TSOs and market participants in cross-border balancing. It will provide the rules for procurement and exchange of balancing energy, reservation of capacity for balancing purposes and greater harmonisation of settlement arrangements
<b>Who may be impacted by it</b>	Anyone trading or wishing to trade Interconnector capacity and cross-border energy in the day ahead or intra-day timeframes. TSOs (including Interconnectors) and power exchanges. Generators and demand to provide information on which capacity allocation decisions are made on a regional basis.	Anyone trading Interconnector capacity in the forwards markets. TSOs (Interconnectors)	TSOs, DSOs, Elexon, and providers of balancing services.
<b>Potential GB Framework Impact<sup>1</sup></b>	An initial implementation mapping workshop was held 19 February 2014. Stakeholders will be asked to provide comments on the output of this exercise.	TBC	TBC
<b>Latest Text</b>	Member State Agreed Text. See <a href="#">JESG website</a>	June 2015 Informal Service Level text. See <a href="#">JESG website</a> . ACER Recommendation: <a href="#">[link]</a>	ENTSO-E final text. See <a href="#">JESG website</a> ACER Recommendation (24 July 2015): <a href="#">[link]</a>
<b>Network Code or Guideline</b>	Guideline	Guideline	Drafted as a Network Code
<b>Phase of development</b>	On 25 July 2015 CACM was published in <a href="#">Official Journal of the European Union (OJEU)</a> following the European Council and Parliament Approval.	Comitology: Preparation for Cross-Border Committee Discussions	Subject to the outcome of the proposed changes put forward within ACERs Recommendation, the network code would be expected to enter the Comitology phase.
<b>Status Update</b>	The CACM will enter into force (become law) 20 days after its publication in the OJEU followed by Members States implementation.	With the European Commission ahead of Comitology.	As above.
<b>Next Milestone</b>	As above.	Commission expected to release updated text for Cross-Border Committee discussions Sept/Oct 2015.	Comitology Preparations
<b>GB Stakeholder Issues</b>	Captured in August 2014: <ul style="list-style-type: none"> <li>Governance – decision-making, consultation, approval and review processes around methodologies, amendments (across all market codes).</li> <li>Clarity of drafting, roles and responsibilities, etc. (across all market codes).</li> <li>NEMO designation and competition.</li> <li>Bidding Zone reviews.</li> <li>Capacity calculation methodology.</li> <li>Cost-sharing arrangements (across all market codes).</li> </ul>	Captured in October 2013 <ul style="list-style-type: none"> <li>Firmness regime.</li> <li>Operation of Physical Transmission Rights (PTRs) and Financial Transmission Rights.</li> <li>Implementation timescales.</li> <li>Harmonised Allocation Rules (in development as a pilot project).</li> <li>Single Allocation Platform (in development as a pilot project).</li> </ul>	Captured in January 2015 <ul style="list-style-type: none"> <li>Change to settlement period</li> <li>Nature of GB implementation</li> <li>Role of TSO as facilitator in TSO-TSO model</li> </ul> Captured in January 2014 <ul style="list-style-type: none"> <li>Delegation of balancing functions.</li> <li>Fit with the BSC panel function.</li> <li>Cost neutrality.</li> <li>Impact within GB and particularly on DSOs.</li> <li>Arrangement of CoBAs – particularly with regard to ICs.</li> <li>Relationship with DSR.</li> <li>Emergency arrangements.</li> <li>Development of standard products and other changes to GB practice.</li> </ul>
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<b>Next Stakeholder Engagement Opportunity</b>	Stakeholders will be engaged via JESG at appropriate stages during the Implementation phase	GB Stakeholders' views expected to be sought when new text is released by the Commission	GB Balancing Stakeholder Focus Group (BSFG) is now set up and expected to meet quarterly  Please email <a href="mailto:europencodes.electricity@nationalgrid.com">europencodes.electricity@nationalgrid.com</a> should wish to be added to the distribution list for the BSFG.

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## System Operation Codes

	Operational Security (OS)	Operational Planning and Scheduling (OPS)	Load Frequency Control & Reserves (LFCR)	Emergency & Restoration (ER)
<b>What does the Code cover</b>	The purpose of the regulation will be to retain (or return to) a normal grid state. It will set common rules for ensuring the operational security of the pan-European power system.	The regulation will focus on the planning phase ahead of real time. It will set requirements for assessing the adequacy and operational security of the interconnected power system and for planning outages required by TSO's and grid users when they have cross borders impacts on power flows.	The regulation will force on frequency quality criteria. It will provides for the coordination and technical specification of load frequency control processes and specifies the levels of reserves (backup) which TSOs need to hold and specifies where they need to be held.	The regulation will deal with the procedures and remedial actions to be applied in the Emergency, Blackout and Restoration states.
<b>Who may be impact by it</b>	All generators > 1MW Transmission Connected Demand Facilitates Significant Demand Facilities, Closed Distribution Networks and Aggregators if they provide Demand Side Response Services to the TSO according got the DCC Redispatching Aggregators and Providers of Active Power Reserves according to LFCR TSOs	A subset of those impacted by OS, who are determined as 'relevant' for the purposes of the European Network Code see Article 24. The methodology to determine relevance will be determined after the code enters in to force, and be subject to NRA approval. TSOs.	TSOs, Reserve Connecting DSOs and Reserve Providers.	All generators > 1MW Transmission Connected Demand Facilitates Significant Demand Facilities, Closed Distribution Networks and Aggregators if they provide Demand Side Response Services to the TSO according got the DCC Redispatching Aggregators and Providers of Active Power Reserves according to LFCR HVDC Systems and DC-connected Power Park Modules Type A (800W-1MW) Power Generating Modules if they qualify as a Defence Provider and/or Restoration Provider
<b>Potential GB Framework Impact<sup>1</sup></b>	TBC	TBC	TBC	TBC
<b>Latest Text</b>	ENTSO-E final text. See JESG website ACER Opinion: <a href="#">[link]</a> ACER Recommendation: <a href="#">[link]</a>	ENTSO-E final text. See JESG website ACER Opinion: <a href="#">[link]</a> ACER Recommendation: <a href="#">[link]</a>	ENTSO-E final text. See JESG website ACER Opinion: <a href="#">[link]</a> ACER Recommendation: <a href="#">[link]</a>	ENTSO-E draft text released after public consultation (April 2015). See <a href="#">JESG website</a> ACER Opinion: <a href="#">[link]</a> ACER Recommendation: <a href="#">[link]</a>
<b>Network Code or Guideline</b>	It is expected that all three network codes to be redrafted to form one <i>system operation guideline</i> .			Being drafted as a European Network Code, but potential to become a Guideline
<b>Phase of development</b>	ENTSO-E redrafting the text, given changes prompted by the attempt to turn the documents into European Network Codes. This is expected to be finalised and then submitted to the Commission.			Comitology Preparations
<b>Status Update</b>	Commission has indicated that they intend to merge the three network codes in to one <i>system operation guideline</i> , as part of the preparations for Comitology.			Following ACERs Opinion and Recommendation, the network code is being prepared for Comitology.
<b>Next Milestone</b>	Merging / redrafting proposal expected to be published, and to then start cross-border committee discussions in later 2015.			Comitology
<b>GB Stakeholder Issues</b>	Captured in April 2013: <ul style="list-style-type: none"><li>Consistency and clarity of definitions.</li><li>Resynchronisation.</li><li>Data provision.</li><li>National Regulatory Authority oversight.</li><li>Performance indicators.</li></ul>	Captured in April 2013: <ul style="list-style-type: none"><li>Outage plans and consistency of reporting requirements with REMIT and Transparency Regulation.</li><li>Definition, roles and responsibilities of TSOs.</li><li>Definition of 'relevant user.' (NB – latest draft no longer uses term).</li></ul>	Captured in July 2012: <ul style="list-style-type: none"><li>National Regulatory Authority oversight.</li><li>Retrospective application.</li><li>Imbalance netting.</li><li>Frequency containment reserve sharing.</li></ul>	Captured in April 2015: <ul style="list-style-type: none"><li>NRA Role</li><li>Comms Resilience</li><li>Lack of time obligations</li><li>Scope – EU Dimension</li></ul> A full list of the issues captured can be found on the <a href="#">JESG website</a>
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<b>Next Stakeholder Engagement Opportunity</b>	Stakeholders will be engaged via JESG when new drafting proposals are released	Stakeholders will be engaged via JESG when new drafting proposals are released	Stakeholders will be engaged via JESG when new drafting proposals are released	Stakeholders will be engaged via JESG when a revised draft is released to Member States/ further information communicated.

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