

Headline Report

Meeting name	European Code Coordination Application Forum (ECCAF)
Meeting number	5
Date of meeting	26 June 2014
Location	Teleconference

Please also refer to the slide pack which has been published¹ with this headline report.

1. Attendees and Membership Update

Attendees

Barbara Vest	Energy UK	Chair
Paul Wakeley	National Grid	Technical Secretary
Steve Davies	DECC	
Carole Hook	National Grid	
Mike Kay	ENWL	Distribution Code Review Panel
Abid Sheikh	Ofgem	
David Spillett	ENA	D-Code Code Administrator
Steve Wilkin	Elexon	BSC Code Administrator

Apologies

Jim Barrett	Centrica	Grid Code Review Panel
Garth Graham	SSE	CUSC Modification Panel

Fiona Navesey has now completed her secondment at DECC, and therefore will no longer represent DECC on ECCAF. The Chair recorded her thanks to Fiona. DECC are now considering options for filling their vacancy on ECCAF.

There are also outstanding vacancies for representatives of the STC and SQSS Panels. The ECCAF Technical Secretary continues to discuss these vacancies with the Code Administrators.

2. Review of Action Log

Please refer to the Action log at the end of this Headline report (Page 3).

3. ECCAF workplan and future meetings

Please refer to the paper "Proposed Revised ECCAF Workplan" which is appended to the end of this Headline Report, details in the paper are not repeated in this report.

There has been a continued slowdown in the progress of all ENCs through Comitology. Back in January when ECCAF devised its first workplan, it was expected to have had around 5 or 6 Network Codes through the Cross-Border Committee stage by June 2014. In reality, no Network Codes has started the formal Cross-Border Committee Stage of Comitology, and the Commission has indicated at the May 2014 Florence Forum that further consideration needs to be given to some of the Network Codes.

In particular, based on the Commission's legal view of CACM and the way it is structured with decisions delegated to TSOs and NRAs after entry in to force, it cannot be viewed as a *network*

¹ Please refer to: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/ECCAF/>

code as defined in Regulation (EU) 714/2009. The Commission now expects CACM to proceed as a *guideline* instead. Both network codes and guidelines will become directly applicable EU Regulations; the end products have exactly the same legal status, but the development and modification routes are different as defined in Regulation (EU) 714/2009.

Based on this view of the Commission, it is expected that for other Codes:

- RFG, DCC, HVDC will continue as *network codes*
- CACM, FCA, BAL become *guidelines*
- OS, OPS, LFCR remain as *network codes* but that further drafting is required to provide further detail and 'ambition'. This drafting is expected to include ENTSO-E.

Therefore, there is limited benefit in mapping the operational codes whilst there is no draft version from the Commission and changes are expected.

Mapping to GB Codes

Also, ECCAF also reflected on the work that it had completed so far in mapping the RFG and CACM. It was noted that EU Codes continue to change through the initial drafts of the Commission and contain areas which are 'TBC' and poor drafting. It was felt preferable to use a 'stable draft' to maximise the benefit of the GB Code Mapping and reduce duplication.

Summary

In summary ECCAF agreed to the following:

- a. To postpone ECCAF meetings until September 2014. The next meeting will be planned for 25 September 2014 at Elexon, London.
- b. The ECCAF Chair and Technical Secretary are to maintain a watching brief on developments in Comitology and if there is a significant change to the timescales reconvene ECCAF sooner. ECCAF members are welcome to contact the Technical Secretary if they have any additional intelligence to inform this position.
- c. Continue to map the ENC's according to the principles of the revised ECCAF workplan, expected from September 2014 onwards:
 - i) Initial mapping of each ENC to the GB Codes to take place at the start of the Cross-Border Committee stage after the Inter-Service Consultation, or when a stable draft has been published by the Commission.
 - ii) Revision to the mapping to take place after the Cross-Border committee stage of Comitology when the text is approved but still subject to Council and Parliament approval.
 - iii) As required, upon the development of the methodologies specified in the ENC's after each ENC has entered in to force.
- d. As further intelligence on timings becomes available then the Technical Secretary will develop a new work schedule for Code Mapping at appropriate times, for consideration by ECCAF.

4. AOB

Abid Sheikh (Ofgem) queried progress on the implementation of the requirements of the Transparency Regulation, noting that a BSC Modification had been approved (P295), a Grid Code modification was in progress (GC0083) and that an STC modification maybe required. It was noted that ECCAF had not considered the Transparency Regulation as they were already extant before ECCAF was formed.

ECCAF Action Log

ID	Action	Lead Party	Target Date	Status	Update
3/2	Share any intelligence about how other member states are approaching demonstrating compliance, through information gained from other government departments, regulators or parent companies.	DECC / Ofgem / those stakeholders with European parent companies	Standing Item	Open	
4/1	Provide further information on the likely next steps for GB Stakeholder engagement on the CACM Network Code	FN/DECC	June 2014	Closed	<ul style="list-style-type: none"> • Once a further draft is released by the Commission, it is expected that another DECC/Ofgem Stakeholder Workshop will be held to prioritise GB Stakeholder key issues with the Code (possibly August/September) • Further information will be circulated in JESG Weekly Update
4/2	Investigate the difference between 'Direct Effect' and 'Directly Applicable'	FN/DECC	June 2014	Closed	<ul style="list-style-type: none"> • All EU Regulations are "Directly Applicable" in that they do not require transposition in to domestic law. • As Network Codes will be regulations there is no requirement to transpose the requirements in to the domestic framework. However, we will need to ensure consistency of domestic and EU provision, and locations for 'GB detail' may need to be found • The principle of Direct Effect enables individuals with rights under European legislation to invoke those rights before a national or European court. It is of secondary concern to ECCAF in undertaking the Code Mapping.

ECCAF Risks and Issue Log

Issue No	Source	Risk / Issue	Further information
1.	JESG	Implementation: Can areas of the GB Network Code be changed to comply with the ENC's be modified through the normal GB governance arrangements, provided it does not affect compliance with the ENC's?	Governance arrangements of GB Codes are not expected to change by implementing the ENC's. However, GB must demonstrate compliance to the ENC's or risks being found in breach and fined.
2.	JESG	How do the definitions in the Transparency Regulation, expected to become law as an Annex to Regulation 714/2009 prior to any Network Code, interact with those in the Network Codes? Do the definitions in the Transparency Regulations have primacy over those in the Network Codes?	Once published in the OJEU, the definitions became law. The Transparency Regulation have been published are Regulation 543/2009 amending Annex I of Regulation 714/2009. The interaction of future definitions is not yet fully understood.
3.	JESG	How will the changes to the GB Framework be made as a result of the Network Codes, for example, will existing structures (panels etc.) be used where possible, or will third package powers be used to make changes via the Secretary of State?	It is expected that existing standard Code Governance will be used where possible, however, Ofgem have powers to make changes to the GB Codes to ensure compliance with European legislation.
4.	JESG	Further details of the modification process for GB Codes as a result of the ENC's need to be defined, for example, how will raise modifications, can alternatives be proposed etc.	Noted.
5.	ECCAF	The industry may not have sufficient resource to make the scale of the changes required to the GB Codes.	This is a high impact risk, and all industry parties should consider how application can be done in the most efficient method possible to reduce the burden where possible.
6.	ECCAF	Definitions. Handling of definitions in GB where the European set keeps changing.	How will the GB Codes handle the changing landscape of European definitions. A mechanism to refer to a central European set of definitions may be required.

Useful Links

GB Codes: Text and Panel Websites

GB Code	Document	Review/Modification Panel
BSC	http://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/	http://www.elexon.co.uk/group/the-panel/
CUSC	http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Connection-and-Use-of-System-Code/	
Grid Code	http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-Code/	
D-Code	http://www.dcode.org.uk/the-distribution-code/	http://www.dcode.org.uk/dcode-review-panel/
SQSS	http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/System-Security-and-Quality-of-Supply-Standards/	
STC	http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/System-Operator-Transmission-Owner-Code/	
DCUSA	http://www.dcusa.co.uk/Public/DCUSADocuments.aspx?s=c	http://www.dcusa.co.uk/Public/CPs.aspx

Revised Principles for ECCAF Workplan

For consideration at June 2014 ECCAF Meeting

Summary and purpose

1. This paper summarises the work that ECCAF has completed to date, reviews some of the challenge it has faced, and in light of the shifting European Commission's work programme, and presents recommendations for the future principles the workplan for ECCAF.
2. Any queries should be directed to Paul Wakeley, ECCAF Technical Secretary, in the first instance (europencodes.electricity@nationalgrid.com)

Background

3. ECCAF was formed, after industry consultation, in Q3 2013 to provide a forum for discussion of matters relating to the coordination of application of ENCs to the GB Codes and to provide advice to the Code Panels on these matters.
4. ECCAF has held four meetings so far – 21 November 2013, 30 January 2014, 27 March 2014 and 29 April 2014. In addition three meetings of the Code Mapping Working Group (CMWG), an ECCAF subgroup, were held on 12 March, 27 March and 29 April to map the CACM and RFG ENCs to the GB Codes
5. Progress on the ENCs for Electricity has been significantly slower than originally expected. The following table shows the status of each of the 10 ENCs and the work that ECCAF has considered:

ENC (in order of progress)	ENC Status (as 28 May)	Code Mapping Prepared by ECCAF
Grid Connection Codes		
Requirements for Generators	Commission preparation for Inter-Service consultation	Completed based on 14 January 2014 informal draft
Demand Connection Code	Commission preparation for Inter-Service consultation	
HVDC	ACER Review, until end July 2014	
Market Codes		
Capacity Allocation and Congestion Management	Adoption still targeted end of 2014, but Commission expected to redraft as a Guideline	Completed based on 14 January 2014 informal draft
Forward capacity Allocation	Submitted to Commission in late May 2014, expected to be redrafted as Guideline	
Balancing	ENTSO-E revision following ACER Opinion – expected to be resubmitted to ACER c. September 2014	
System Operation Codes		
Operational Security	Further drafting expected to allow Commission to consider as an ENC	
Operational Scheduling and Planning	Further drafting expected to allow Commission to consider as an ENC	
Load Frequency Control and Reserves	Further drafting expected to allow Commission to consider as an ENC	
Emergency and Restoration	Being drafted by ENTSO-E. Due to complete in March 2015	

Developments in European Parliament, Council and Commission

6. The work of ECCAF is closely linked to the outputs of the European Commission. Progress for the ENC's through Comitology has been significantly slower than the Commission, ENTSO-E or ACER workplans envisaged, since CACM, RFG and DCC were recommended to the Commission in March 2013.
7. The following few months could be a time of significant change for the Commission and other EU Institutions. A new President of the Commission (replacing José Manuel Barroso) and a new set of National Commissioners are to be appointed and ratified (this could see the change of Günther Oettinger, the Energy Commissioner). There will also be a new President of the European Council (replacing Herman Van Rompuy). In addition, based on evidence from previous years, the Commission, ENTSO-E and ACER are all very quiet during July and August due to holidays.
8. ENC's are also subject to Parliamentary approval following the Commission's Cross-Border Committee. Following the recent elections to the European Parliament, it will not sit in Committee or session until 1 July 2014. Following that Parliament will sit until 24 July before the summer recess, returning on 1 September. Much of the Parliamentary calendar in July and September, is expected to be taken up by considerations of the new Commission, and President of the European Council.

Information on ENC development and implementation gathered at Florence Forum

9. Information on ENC development and implementation was presented at the May 2014 Florence Forum (as captured by Mark Copley, Ofgem and Sue Harrison, DECC) and circulated to GB Stakeholders by Daniel Tattersall (Ofgem) on 29 May 2014.
10. The Commission informed the forum that the first ENC, Capacity Allocation and Congestion Management (CACM), was recently reviewed by the Commission's legal service. The CACM contains procedures which require certain details to be developed at a later date (it sets out a process to develop methodologies as opposed to writing content directly into the ENC), therefore, the legal service is of the view that it cannot be adopted as a ENC as this legal procedure does not allow decisions to be delegated.
11. The Commission's suggestion is therefore that CACM should be redrafted as a guideline (as defined in Article 18 of Regulation (EU) 714/2009) and that work to incorporate the other comments from the legal service should move forward.
12. This decision will impact on the other "ENC's" which have been drafted to date. It is hard to predict exactly what that impact will be, but some initial views are below:
 - a. **Market Codes:** CACM, FCA and Balancing are likely to become guidelines.
 - b. **Grid Connection Codes:** (RFG, DCC, HVDC) Based on the Commission's initial assessment likely to pass the test to be ENC's. This is because, generally speaking, they require values to be approved by NRAs within ranges set out in the ENC's.
 - c. **System Operation Codes:** (OS, OPS, LFCR) The Commission has expressed a desire for the system operation ENC's to remain as ENC's. However, they feel more detail would need to be added and they, and stakeholders, are seeking more ambition in those codes. ENTSO-E has expressed a willingness to work further on these ENC's, though timescales are undefined.

When is the right time for ECCAF to engage on draft ENC text?

13. At ECCAF Meeting 2 (30 January 2014) a workplan was proposed for ECCAF¹, which included:

Stages that ECCAF will consider the ENC's:

- a. After the ENTSO-E/ACER drafting for an initial view, when there is a 'firm' first draft.
- b. After the Cross-Border committee stage of comitology – at this stage the text is approved but still subject to Council and Parliament approval. The text is not expected to change after this phase.
- c. Upon the development of the methodologies specified in the ENC's after the Codes have entered in to force.

¹

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14. In completing the Code Mapping for RFG and CACM it has been observed that considering the ENC after the ENTSO-E/ACER drafting has raised some issues:
 - a. There is not a consolidated ENC at this stage, as the ACER qualified recommendation is separate to the ENC and it is not clear how much of the ACER recommendation will be adopted by the Commission;
 - b. There is notable change in the ENCs so far that have entered Comitology, and the first drafts that are being issued by the Commission during the pre-Comitology stage are often very draft and incomplete.
15. The insight from the initial CMWGs is that there is likely to be benefit in waiting for a more stable draft, however, this needs to be balanced with the desire to inform the GB Code application approach as soon as practicable.
16. Therefore, it is proposed to modify the principle of when ECCAF will first consider each ENC, so that the initial mapping of each ENC to the GB Codes will take place at the start of the Cross-Border Committee stage after the Inter-Service Consultation, or when a stable draft has been published by the Commission. The other stages (b and c above) remain the same.

Conclusions

17. In summary, information available at this stage indicates a continued and notable slowdown in the progress of the ENCs through Comitology, and an uncertainty about future timescales.
18. Following lessons learnt at the initial CMWG meetings there is evidence to suggest that waiting for a more 'stable' version of the ENC from the Commission is likely to be beneficial, by default the version issues at the start of the formal Cross-Border Committee Stage.
19. As Comitology timescales remain fluid and poorly defined, ECCAF and GB industry needs to remain poised to act when required, potentially at short notice. In the short-term we expect the DECC-Ofgem Stakeholder Workshops and JESG to continue to provide information / forums to the broader industry.

Recommendation

20. ECCAF are invited to approve the following:
 - a. To postpone ECCAF meetings until September 2014. The next meeting will be planned for 25 September 2014 at Elexon, London.
 - b. The ECCAF Chair and Technical Secretary are to maintain a watching brief on developments in Comitology and if there is a significant change to the timescales reconvene ECCAF sooner. ECCAF members are welcome to contact the Technical Secretary if they have any additional intelligence to inform this position.
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 - iii) As required, upon the development of the methodologies specified in the ENCs after each ENC has entered in to force.
 - d. As further intelligence on timings becomes available then the Technical Secretary will develop a new work schedule for Code Mapping at appropriate times, for consideration by ECCAF.