

**Headline Report**

<b>Meeting name</b>	European Code Coordination Application Forum (ECCAF)
<b>Meeting number</b>	4
<b>Date of meeting</b>	29 April 2014
<b>Location</b>	Elaxon, 350 Euston Road, London.

Please also refer to the slide pack which has been published<sup>1</sup> with this headline report.

**1. Attendees and Membership Update****ECCAF Members**

Barbara Vest	Energy UK	Chair
Paul Wakeley	National Grid	Technical Secretary
Garth Graham	SSE	CUSC Modification Panel
Mike Kay	ENWL	Distribution Code Review Panel
Fiona Navesey	DECC	
Abid Sheikh (by phone)	Ofgem	
Carole Hook	National Grid	

**Other Attendees**

Ryan Place	Elaxon	BSC Code Administrator
Lesley Ferrando	Ofgem	Observer
Chuan Zhang	Crown Estates	Observer

**Apologies**

Jim Barrett	Centrica	Grid Code Review Panel
Peter Bolitho	Waters Wye	BSC Panel
Steve Wilkin	Elaxon	BSC Code Administrator

Joe Dunn has left his role at Scottish Power Transmission, and has relinquished his position on the STC Panel and as the STC Panel representative to ECCAF. The Chair recorded her thanks to Joe. The ECCAF Technical Secretary has contacted the STC Panel to request that they appoint a new representative for ECCAF.

**2. Review of Action Log**

Please refer to the Action log at the end of this Headline report (Page 6).

**3. Network Code Status and Comitology Update**

Recent notable developments with Network Codes are summarised as follows:

- The Commission has cancelled all Cross-Border Committee Meetings prior to the Florence Forum (20-21 May). Therefore there is expected to be no significant progress on any of the Codes in Comitology before that time (CACM, RFG, DCC, OS, OPS, LFCR).

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

- Other Network Codes continue to progress through various stages of development:
  - FCA: ENTSO-E has revised the Network Code and resubmitted it to ACER.
  - HVDC: ENTSO-E has completed drafting and submitted the Code to ACER on 1 May.
  - Emergency and Restoration: ENTSO-E commenced drafting on 1 April as per the Commission's mandate.

Further information can be found on the JESG website<sup>2</sup>.

#### 4. Report from CMWG on Requirements for Generators Network Code

The CMWG met on 27 March to complete the mapping of RFG to the GB Codes. The summary from this session, and the previous session on Articles 1-23, are as follows:

##### Headline summary for RFG Code Mapping

- Majority of RFG technical requirements map to either Grid Code or D-Code, where there are many existing requirements of that nature;
- Some consequential changes to the CUSC may be required, if RFG requirements are specified in Bilateral Contracts (particularly an issue for larger generators);
- The table produced by CMWG will be published on the ECCAF website<sup>3</sup>.

There were three categories of outstanding issues to report. Those items marked in red were added during the second CMWG.

##### Issues to be considered by the DCRP/GCRP Workgroup (for information to ECCAF)

- How D-Code/G-Code are structured going forwards:
  - Need to ensure that if requirements are in two different GB Codes they are consistent / equivalent;
  - Need to be clear where requirements for types of generators are located, i.e. a Type D at 132kV will be distribution connected in England and Wales and transmission connected in Scotland;
  - How do we interpret "Relevant Network Operator"
    - This may mean that Type D requirements are different depending on if they are in England and Wales, or Scotland at 132kV
    - For Distribution, this is being interpreted as one set of GB requirements, and not DSO specific requirements.
- Article 4(3) need to refer to a process in the relevant GB Code and refer to the GB Governance process, with the obligation placed on the relevant TSO or DNO as per the text<sup>4</sup>.
- Process for use of equipment certificates for compliance will need to be considered, and how certificates from outside GB are used. There are existing requirements particular at Distribution.

##### Issues to be considered by ECCAF

These are issues to be considered and advanced by ECCAF. The three issues are summarised in the following table:

Issue	ECCAF Treatment
Global issue of treatment and handling of definitions. Queries over GB vs (multiple) EU definitions	Definitions are an ongoing area of work for Commission / ENTSO-E / ACER so will park for now, to be become an ECCAF focus topic when more clarity is gained from the first Network Code to progress through Comitology as to how definitions will be handled on a pan-European level. ENTSO-E does hold a common repository of definitions in their meta-data repository <sup>5</sup> .

<sup>2</sup> <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/Joint-European-standing-group/>

<sup>3</sup> <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/ECCAF/>

<sup>4</sup> It is noted that a number of ECCAF members would like to re-examine the governance process for the Grid Code and D-Code in light of the arrangements used in other GB codes such as the CUSC or BSC.

<sup>5</sup> <https://emr.entsoe.eu/glossary/bin/view/GlossaryCode/GlossaryIndex>

Issue	ECCAF Treatment
Article 11(4) Type D general system management requirements. At present written like central dispatch and it is not clear how they work in principle.	Drafting is ongoing and these articles may be affected. ECCAF will return to these articles once further clarity has been gained in the drafting.
Article 18. Concern over Connection Point and how this applies in GB.	
Articles 52 – 56. Consideration needs to be given to the derogation process (Title 5) in RFG, as a similar process is expected to apply across multiple Network Codes.	Hold until there is further clarity in future drafts / other Network Codes.

#### Issues to be flagged to DECC / Ofgem (for information to ECCAF)

- Article 3(2), Article 3(3). Legislation required giving NRA the necessary powers. Licence changes to oblige others;
- Article 3a(1): Secondary legislation to make requirements enforceable?;
- Article 3a(2): Obligation on DECC/Ofgem;
- Article 3a(3): Legislation required to give NRA the necessary powers;
- Article 3a(4): Generators in construction / contract: Ofgem to write / lead a one-off process to consider someone an 'existing' generator;
- Article 4(1): Regulatory Aspects. Are changes required to modify GB Code objectives to match European objectives?;
- Article 5: Cost recovery. Ofgem to consider overall approach;
- Article 6: Confidentiality. Legal advice required on the sharing of data with Europe to comply with the requirements of the European Network Codes (in particular CACM);
- Article 14(3): Relevant Network Operator: If obligation are placed on TSOs at 132kV enforcement mechanisms may be required in GB;
- Article 25: Notification for Type A: A desire to tie in with Ofgem process for FIT notifications
- Article 33(7): Identification of costs and benefits of application of rules to Existing Power Generating Modules - Obligation placed on Authority. Do they have the ability to do this?
- Articles 52 – 56: Derogations. Further consideration required on how Derogations will work, and how these will be addressed across- Network Codes.
- Articles 57 – 61: Transitional Arrangements for Emerging Technologies. DECC/Ofgem to run this ongoing process.

#### **5. Report from CMWG on *Capacity Allocation and Congestion Management Network Code***

The CMWG met on 29 April to undertake the mapping of CACM to the GB Codes.

The session started with a presentation from Ofgem on 'Direct Effect'. Direct Effect is a rule which makes EU law applicable in UK. Without Direct Effect the member state would need to implement the law in the UK (i.e make a new UK law that mirrors the EU law).

For a provision of EU law to have direct effect it needs to satisfy all of the following criteria:

- Be clear and precise; and
- It must be unconditional; and
- It must not give the member state discretion as to application; and
- Time limit for implementation must have expired

By default, EU regulations normally have direct effect, however, the ENCs – which are expected to be implemented as regulations – are considered a special case.

Moreover, even if a provision of EU law is directly effective, they may be a need for consequential changes to elements of the GB framework.

The Code Mapping for CACM identified three types of requirements in CACM based on the 14 January 2014 version of the Network Code:

- Articles with direct effect, which may require changes to the GB Codes,
- Articles with direct effect, some of which may require consequential changes to aspects of the GB framework other than Codes,
- Articles where the state of the present drafting limits meaningful analysis.

These three topics are summarised as follows:

Articles with direct effect, which may require changes to the GB Codes

1. **Article 16 - Generation and Load Data Provision Methodology.**
  - a. In general this article may require changes to the GB Grid Code to provide the necessary data to the TSO in the right timescales.
  - b. However, at this stage and for a few years NGET does not foresee the need to request additional data from current industry parties, or data from additional industry parties under this Article. NGET intends to fulfil its obligations under this article using its forecast data.
2. **Article 50 – Methodology for the Calculation of Scheduled Exchange resulting from the single Day Ahead Coupling.** The Interconnectors leading on the NWE Day-Ahead and Intraday project report that BSC Modification may be required.
3. **Common Grid Models.** The Code requires TSOs to submit data gained nationally to the European Merging Function. GB needs to ensure that we are share this data and that existing data confidentiality requirements are not an issued. This is currently being considered by legal representation.

Articles with direct effect, some of which may require consequential changes to other aspects of the GB framework.

Article	Title
1	Subject Matter and Scope
3	Confidentiality Obligations
5	Consultation
9	Review of Terms and Conditions or Methodologies
6	Publication of Information Regarding Capacity Allocation and Congestion Management Methods
14	Capacity Calculation Regions
16	Generation and Load Data Provision Methodology
18	Common Grid Model Methodology
22	Capacity Calculation Methodology
25	Reliability Margin
27	Operational Security Limits, Contingencies and Allocation Constraints
29	Generation Shift Keys
30	Remedial Security Action in Capacity Calculation
31	Cross Zonal Capacity Validation
33	Creation of Common Grid Model
34	Regional Calculations of Cross Zonal Capacity
35	Validation and Delivery of Cross Zonal Capacity
36	Biennial Report on Capacity Calculation and Allocation
38	Criteria to Review the Efficiency of Alternative Bidding Zone Configurations

Article	Title
39/40	Regular Reporting on the current Bidding Zone Configuration by ENTSO-E and ACER
41	Coordinated Re-dispatching and Countertrading
43	Price Coupling Algorithm Development
45	Objectives of the Price Coupling Algorithm
46	Inputs and Results of the Price Coupling Algorithm
47	Products Accommodated
48	Maximum and Minimum Prices
49	Pricing of Day Ahead Zonal Capacity
50	Methodology for the Calculation of Scheduled Exchanges
53	Provision of Input Data
54	Operation of the Single Day Ahead Coupling
55	Delivery of Results
56	Calculation of Scheduled Exchanges resulting from the Single Day Ahead Coupling
57	Initiation of Fallback Procedures
59	Objectives of the Continuous Trading Matching Algorithm
60	Inputs and Results of the Continuous Trading Matching Algorithm
61	Products Accommodated
62	Maximum and Minimum Prices
63	Pricing of Intraday Capacity
64	Methodology for Scheduled Exchanges
66	Provision of Input Data

Article	Title
67	Intraday Cross Zonal Gate Opening and Closure Time
68	Delivery of Results
69	Calculation of Scheduled Exchanges resulting from the Single Intraday Coupling
70	Publication of Market Information
71	Complementary Regional Auctions
73	Clearing and Settlement
75	Congestion Income Distribution
76	Day Ahead Firmness Deadline
92	Explicit Allocation
93	Removal of Explicit Allocation
94	General Provisions - Transitional Intraday Arrangements

Article	Title
95	Explicit Requests for Capacity
96	Transitional Arrangements for Island Systems with Central Dispatch
GC3	NEMO Functions
GC8	Third Country Participation
GC10	Operational Committee of NEMOs and TSOs
GC11	NEMO Coordination Committee
GC12	Stakeholder Committee
GC13	Common Rules for each Committee
GC14	Delegation of Roles
GC15	Liability and Incentives
97	Entry into Force

#### Articles where the state of the present drafting limits meaningful analysis

Article	Title
2	Definitions
4	Objectives of Capacity Calculation and Congestion Management Co-operation
8	Collective Decisions and Regulatory Approvals
13	Capacity Calculation Timeframes
20	Scenarios
21	Individual Grid Model
32	General Provisions
37	Reviewing Bidding Zone Configuration
42	General Provisions - All NEMO back up procedures
52	Fallback Procedures
78	Firmness of Day Ahead Capacity and Allocation Constraints
79	Firmness of Intraday Capacity
80	Firmness in the Case of Force Majeure or Emergency Situations
81	Congestion Income Distribution Arrangements

Article	Title
83	Re-dispatching or Countertrading Cost Sharing Methodology
85	General Provisions - Capacity Allocation and Congestion Management Cost Recovery
86	Costs of Establishing, Amending and Operating Single Day Ahead and Intraday Coupling
89	Clearing and Settlement Costs
87	Costs of Establishing and Operating Coordinated Capacity Calculation Processes
90	Costs of Ensuring Firmness
GC1	NEMOs, Designation and De-Designation
GC2	NEMO Designation Criteria
GC5	TSOs' tasks related to Single Day Ahead and Intraday Coupling
GC7	Cost Sharing Principles
GC16	Monitoring

## 6. Next Meeting

In light of the slow progress being made by the European Commission with Network Codes through Comitology, the next meeting of ECCAF (scheduled for 22<sup>nd</sup> May) is postponed unless there is a significant change to the current progress of Comitology.

The next scheduled date for ECCAF is therefore 26 June 2014. For the next meeting it was felt beneficial to have a further discussion on principles of application of EU regulations to GB such as direct effect.

A revised ECCAF workplan will be established once more clarity is gained on the Commission's plans for Comitology for the Network Codes.

## 7. AOB

In light of the expected date for the ENTSO-E workshop on the Emergency and Restoration Network Code in October 2014, clashing with the proposed date for the ECCAF meeting, it was agreed to move the ECCAF meeting to 23 October 2014

## ECCAF Action Log

ID	Action	Lead Party	Target Date	Status	Update
2/2	Arrange session with Code Administrators (and Stakeholder) on initial mapping of RFG and CACM.	PW	March 2014	<b>Closed</b>	Completed
3/1	Ensure the Terms of Reference for the CMWG are circulated to the Code Administrators and published on the website	PW	April 2014	<b>Closed</b>	Completed
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	June 2014	New	
4/2	Investigate the difference between 'Direct Effect' and 'Directly Applicable'	FN	June 2014	New	

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