

Network Code updates

SEM Network Code Forum
Belfast - 5th Sept 2013



NC RfG

- Ongoing discussions with EC, driven by KEMA report recommendations
- Prepare response and changes for comitology in the coming months to reflect Kema report once fully reviewed
- Preparation of implementation guidelines of requirements into National Law
- 29 October – informal Comitology meeting
- 28 November – expected 1st vote on RfG
- 16 December – expected 2nd and final vote on RfG



NC DCC

- Ongoing discussions with EC, no equivalent KEMA report for DCC
- Preparation of implementation guidelines of requirements into National Law
- Analysis of how and what Europe-wide DSR SFC implementation should be
- Continuing discussion with SEDC (European assoc. of demand aggregators) to come to a joint statement on Demand Side Response
- 29 October – informal Comitology meeting
- 28 November – expected 1st vote on DCC
- 16 December – expected 2nd and final vote on DCC



NC HVDC

- 10 July – internal ENTSO-E workshop on HVDC
- Work to define code requirements continues
- 5 September - next User group meeting
- Start November - Public Consultation expected to commence
- 3-4 week November - public ENTSO-E Workshop likely to be provided
- SEM all-island workshop on HVDC will follow after this



NC OS

- ACER opinion negative, concerns raised include:
 - coherence and compatibility with other NCs;
 - national scrutiny;
 - performance indicators;
 - information exchange;
 - Scope; and
 - drafting quality.
- Drafting team have worked on improving the clarity and consistency of the NC based on the concerns of ACER, Commission and inputs from DSOs
- ENTSO-E System Operation Committee approval and legal review 29/8 to 5/9
- If required Drafting Team to implement changes
- ENTSO-E Assembly approval 10/9 to 23/9
- Stakeholder information session on 16/9 in Brussels
- Resubmit the code to ACER on 24/9



NC OS

- **Coherence and compatibility with other NCs:**
 - Voltage ranges apply to Type 'D' only;
 - Lack of clarity on Type 'A' in support paper; and
 - Any SGU modifications require a cost / benefit analysis and NRA approval in line with NC RfG and DC.
- **National scrutiny:**
 - Changes to the Recitals (whereas section); and
 - Additional items explicitly added to approval list;
 - Criteria for requesting a compliance test;
 - List of high priority SGUs;
 - Exemptions from providing data to TSO.
- **Performance indicators;**
- **Information exchange:**
 - Increased level of reciprocity with DSOs.
- **Scope:**
 - Assignment of responsibilities by member states with more than one TSO;
 - Non applicability to island systems.
- **Drafting quality.**



NC OPS

- ACER, concerns raised include:
 - coherence and compatibility with other NCs;
 - national scrutiny;
 - performance indicators;
 - information exchange;
 - Scope; and
 - drafting quality.
- Drafting team have taken on board concerns of ACER, Commission and inputs from DSOs in the up-dated version of the Network Code
- ENTSO-E SOC approval and legal review 29/8 to 5/9
- If required Drafting Team to implement changes
- ENTSO-E Assembly approval 10/9 to 23/9
- Stakeholder information session on 16/9 in Brussels
- Resubmit the code to ACER on 24/9



NC LFCR

- Code with ACER (ACER invitation to express views ended 09/08)
- Hopeful of a positive opinion
 - Confirmation that the Recital and Legal changes in NC OS and OPS will be applied to LFCR
 - Recommendation on sharing of FCR between Synchronous Areas
- Based on preliminary comments of ACER and Commission the Drafting Team correcting typos, clarifying inconsistencies and misleading formulations
- ACER opinion expected end of September



NC FCA

- 28 August – 5th SAG meeting
 - Firmness
 - Revenue Adequacy
 - Secondary Trading
 - Harmonised Allocation Rules
 - Single Allocation Platform
 - Cross Zonal Risk Hedging
 - Nomination Rules harmonisation
 - Alignment of common articles in FCA and CACM
- SEM derogation for parts of FCA based on CACM?
- 6 September – ENTSO-E MC for decision
- 26 September – ENTSO-E Assembly for decision
- 1 October – submission to ACER

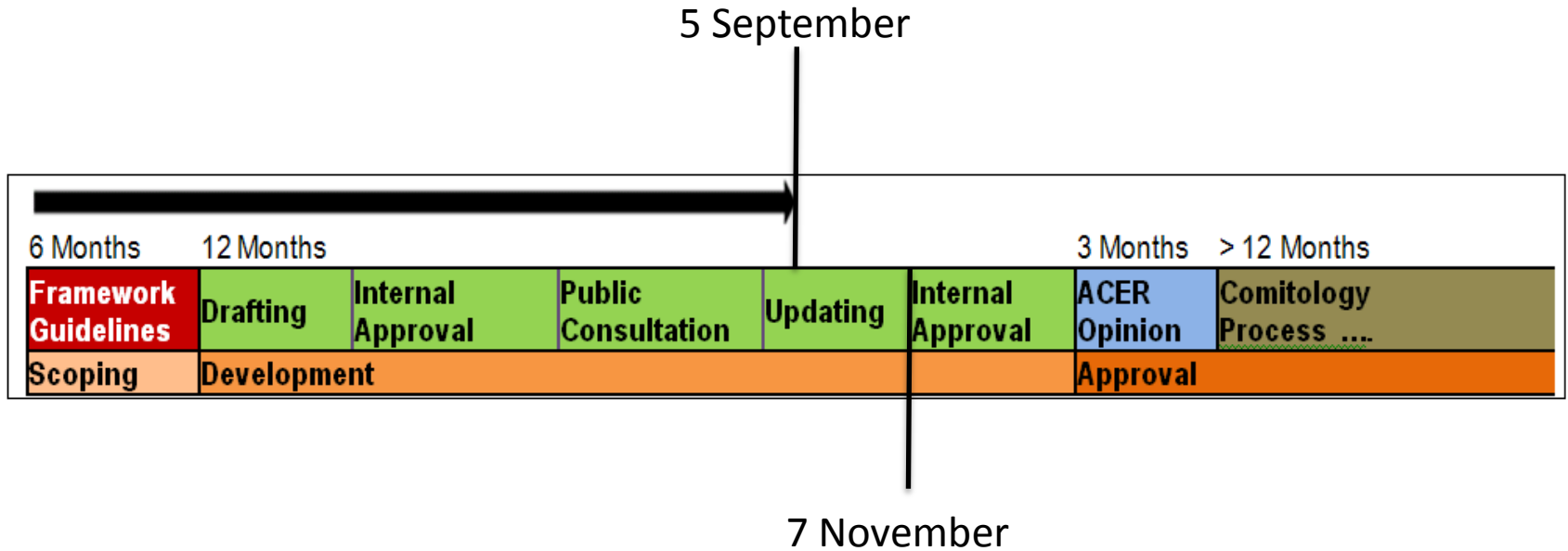


NC CACM

- 3&17 July & 29 August – Trilateral Meetings
 - Multiple TSOs
 - Regional Auctions
 - Governance Guideline
 - NEMOs
 - Definitions – e.g. economic surplus, sophisticated products
 - Capacity Calculation
 - Deadlines for implementation
 - Replace “All TSOs” with “ENTSO-E”
- 19 September – Trilateral meeting in ENTSO-E
- 26 September – 1st Comitology meeting



NC Electricity Balancing Timeline



NC on Electricity Balancing 12th June

Chapter 1: General Provisions

Chapter 2: The Electricity Balancing System

Chapter 3: Procurement of Balancing Services

Chapter 4: Use, Allocation and Reservation of Cross Zonal Capacity for Balancing Services

Chapter 5: Settlement

Chapter 6: Algorithm Development

Chapter 7: Reporting

Chapter 8: Targets and Transitional Arrangements

Chapter 9: Final Provisions

Focus
for
12th June



NC on Electricity Balancing 1st August

1. Dedicated workshop on the Network Code on Electricity Balancing and the Network Code Load-Frequency Control & Reserves held on 1st August.
2. Slides available on the EirGrid website:
<http://www.eirgrid.com/customers/workshopsandconferences/>
3. TSOs highlighted areas of interest and tips for those reviewing the code and submitting comments during the public consultation - 17th June to 16th August 2013.



All-island Considerations

- a) Synchronous Area Ireland reserve processes & product requirements.
- b) Balancing after one hour Cross Zonal Intraday Gate Closure Time
- c) All-island commercial & other aspects
- d) Balancing in Central Dispatch Systems
- e) Priority Dispatch
- f) DS3 System Services
- g) Ramp Rate Process and product definition with HVDC connection
- h) BETTA market, Elexon and National Grid engagement.
- i) DSOs coordination.

NC on Electricity Balancing

- ACER preliminary comments (in advance of formal opinion) include:
 - Activation and cross-border exchanges of balancing energy
 - Structure of the NC
 - Target model for the exchange of balancing energy
 - Intermediate steps towards the target model
 - Procurement and exchanges of balancing reserves
 - Contract with a period longer than a month is considered long-term
 - TSO-BSP model phase out
 - Use of cross-border capacity for balancing consistency with NC CACM
 - Reservation of cross-border capacity
- Drafting team are taking on board concerns of ACER and public consultation comments and open issues in the team in the updated version of the Network Code.
- ENTSO-E approval 7 Nov to 3 Dec for submission of code to ACER.



All-island Public Consultation Comments

1. **Drafting and referencing clarification**
2. Area definition and product complexity
3. **Consultation** and **approval** requirements
4. Long term AS contracts
5. **Understanding of “market based”**
6. **Interconnectors offering Balancing Services**
7. Dispute resolution
8. DSO communication
9. **Central Dispatch**
10. Balancing products and use in Intraday
11. Clarity on Secondary market for Balancing Reserves
12. **Promotion of DSR and RES**
13. Concern over option to require balanced Day Ahead Position
14. Two-way incentivisation scheme for TSOs

Public consultation stats

2178 comments received

~144 All-island on 44 of 62 articles

28 main All-island comments



All-island Public Consultation Comments

15. **Use of Specific Products across border**
16. **Obligatory participation in the Balancing Market due to Grid Code or other approved reasons**
17. Balancing (Energy) Gate Closure Time
18. Integrated procedures
19. **Path to EU Target Model (Use of CoBAs, TSO-BSP Model, Unshared bids)**
20. Sharing and Exchanging of products - HVDC limitations
21. Cost recovery
22. Local vs. cross-border pricing of products
23. Pricing methodology options (possible flexibility, may lead to distortion)
24. Number of Standard Products in, say, FUI region
25. Timing of notification to BSPs in Balancing Energy timeframe
26. **Reservation of Cross Border capacity by TSOs for Balancing**
27. Imbalance calculation
28. Specific All-island issues

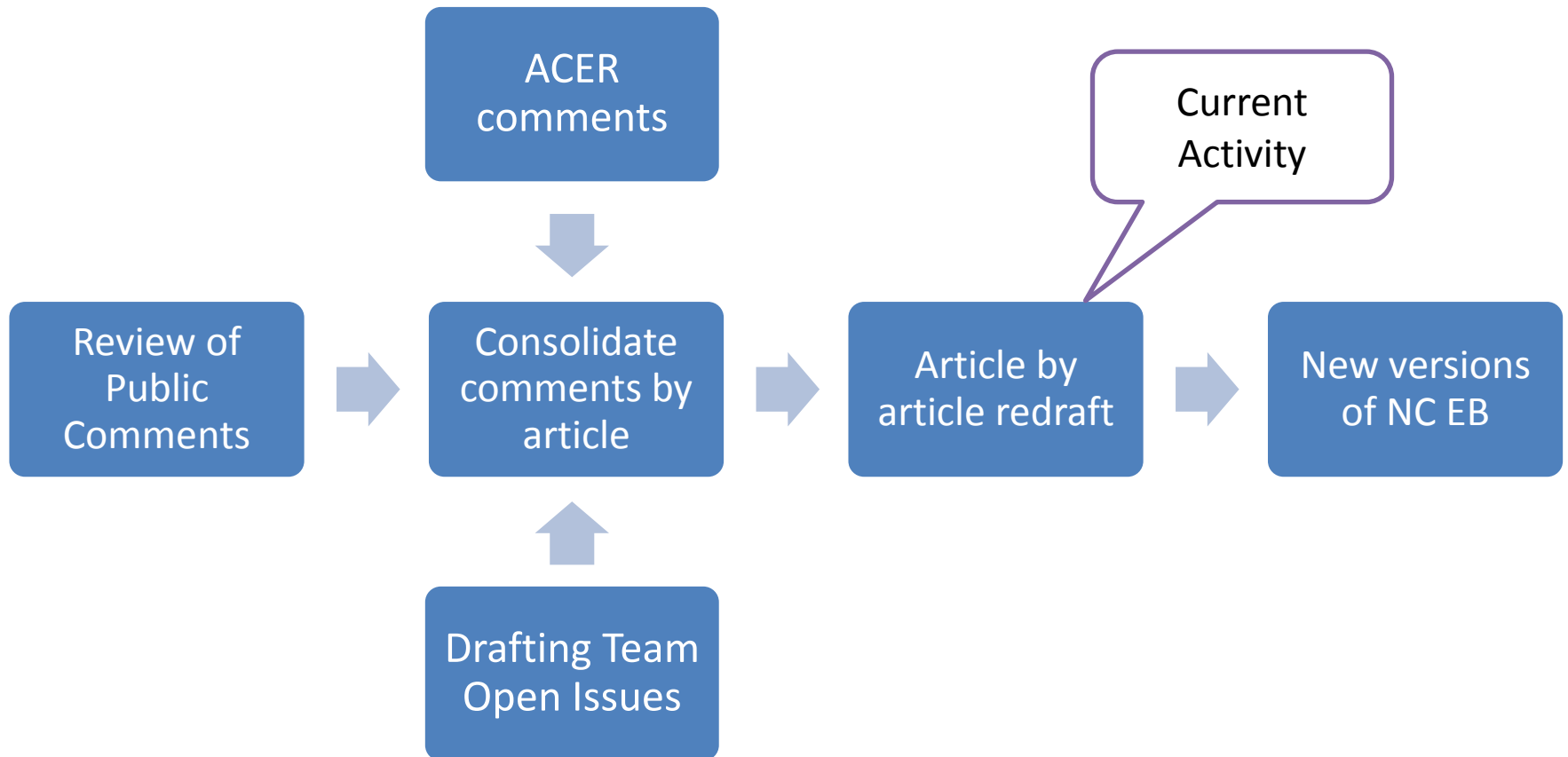


Additional Public Consultation Comments

- Publish data which is exchanged between TSOs
- Abandon Transfer of Obligation
- Conversion of products and resulting responsibilities for BSPs and TSOs
- Longer contracts than 1 month for reserves procured from a different area/ cross-border will need approval of NRA.
- Interaction between ID vs. Balancing Market
- Leave BSP-BRP contractual arrangements to the market as is currently the norm in most countries.



Current ENTSO-E Drafting Team Activity



Thank you

