

# Network Code Implementation

Users' Group – WG Belgian Grid

1/Feb/2016

# Overview

1. Status of the adoption progress of EU Network Codes
2. Overall status of the implementation process
3. Feedback from the Expert Groups of 26/11/2015 and 25/1/2016
4. Planning proposal for 2016

# Status of the adoption progress of EU Network Codes

# NC voortgang en geschatte inwerkingtreding

Network Code	Status	Best guess(!) for completing the process, i.e. "entry into force"
<b>Market codes:</b>		
Capacity Allocation and Congestion Management (CACM)	Entered into force	14/8/2015
Forward Capacity Allocation (FCA)	Approved in Comitology (30/10/2015)	June 2016
Electricity balancing (EB)	Recommended for adoption by ACER	Q1/Q2-2017
<b>Connection codes:</b>		
Requirements for generators (RfG)	Approved in Comitology (26/6/2015)	March 2016
Demand Connection Code (DCC)	Approved in Comitology (16/10/2015)	June 2016
HVDC (HVDC)	Approved in Comitology (11/9/2015)	June 2016
<b>Operational codes:</b>		
Operational Security (OS)	Comitology ongoing	September 2016
Operational Planning & Scheduling (OPS)		
Load Frequency Control & Reserve (LFCR)		
Emergency & Restoration (E&R)	Submitted to ACER for recommendation	Q1/Q2-2017

# Overall status of the implementation process

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- Expert Groups have started with the content-related debate according to the discussed process.
- Roles and responsibilities are step by step getting clearer. Regulators are also more and more involved (cf. their presence at the expert groups).
- FOD has (via Elia) communicated to the UG the latest versions of Comitology-approved network codes (i.e. RfG, DCC, HVDC, FCA) in order to facilitate the discussions.
- Several aspects are still to be further determined (e.g. quid timing regional grid codes and contract amendments)
- As announced in the UG (plenary) of 2/7/'15, via the Users' Group (WG Belgian Grid) Elia will ask for an inventory of requests for amending the Federal Grid Code beyond the changes required by the NC implementation. The inventory will be handed over to the FOD. This will be launched in the next months.

# Feedback from the Expert Groups of 26/11/2015 and 25/1/2016

# Feedback from the Expert Groups of 26/11/2015 and 25/1/2016 (1/4)

## Overall feedback:

- Many stakeholders were represented.
  - BGA (Belgian Generator Associations) = BOP/COGEN VL/EDORA/FEBEG/ODE
- Several regulators (CREG, VREG, Brugel) were present (as observers).
- FOD was represented.
- On the website of the Users' Group all material is made publically available. Lively debates and exchange of viewpoints, incl. presentations by various parties.
  - Opinions do not (yet?) converge on all aspects, but the different concrete arguments given and questions raised allow for continuing the debate on the different topics.
  - *For "Significant Grid Users":* opinions diverge, but progress on the different argumentations has been made and is expected. The goal is to refine the proposals for limits ABCD by adding what is "particularly challenging" in order to facilitate (and focus) the Expert Groups on technical topics.
    - ➔ *Stakeholders are asked to communicate their written input to Elia by 15/2/2016, allowing a proposal for consolidation to be made by 25/2*
  - *For "Connection and Compliance process":* for the part already discussed, in general there appears to be some comfort with the proposal made by Elia to limit the changes to today's process. However, there remain specific question and interpretations of the codes to be resolved. Also, some aspects have not been discussed yet.



# Feedback from the Expert Groups of 26/11/2015 and 25/1/2016 (2/4)

## Overall feedback (continued):

- During the presentations and discussions, several stakeholders raised general concerns:
  - Connection codes versus operational codes
  - Link with existing requirements?
  - Harmonisation within regions/EU
  - Impact on CDS?
  - Competitiveness for BE generators
  - Cost-effectiveness of choices and need for CBAs
  - Distinction between market mechanisms (&contracts) and the limits A-B-C-D
  - How about derogations
  - New versus existing facilities?
- In particular two questions were raised by BGA via the MoM of the 26/11-meeting:
  - With respect to the output of the Expert Groups and public consultation linked to this: The process (who, what, when) is to be clarified and how about a public consultation by the FOD after the process in the Users' Group?
  - It is to be clarified how the delineation between contracts and grid codes will be made and which process for potential contractual changes resulting from the network codes will be followed.

# Feedback from the Expert Groups of 26/11/2015 and 25/1/2016 (3/4)

## Feedback on “Significant Grid Users”

- Meetings on 26/11/2015 & 25/1/2015. Next (and final) meeting foreseen on 25/2/2016.
- *Iterative approach*: A set of working hypotheses is needed to allow the following technical/specific topics to start.
- The specific contributions and the MoM (will) provide a complete overview of issues raised. Hereby only a selection:
  - In the 2nd meeting Elia already tried to provide an answer to questions raised in the first meeting
  - Diverging proposals on set of limits ABCD by Elia/Synergrid and by BGA
    - Next to the initial arguments, the 2nd meeting allowed to further argue specific elements. E.g. link limit A-B@250kV and FRT-requirements, difficulties for CHP and wind farms if considered type C,...
    - Main debate is on the limits A-B & B-C (which does not imply that there is agreement for C-D...)
  - Quid ‘type A’ generators (e.g. PV panel) at an industrial site at 150kV: type A or type D → consensus on the need for a common sense interpretation and application
  - Definition of “power generating module” and “power generating facility” to be interpreted.
  - Impact on demand facilities and CDS of the ‘significant grid user’-label are not to be overlooked.
  - How about “substantial modernization” (refurbishment)?
- Several (specific) elements remain to be interpreted from the network codes for their actual applicability.

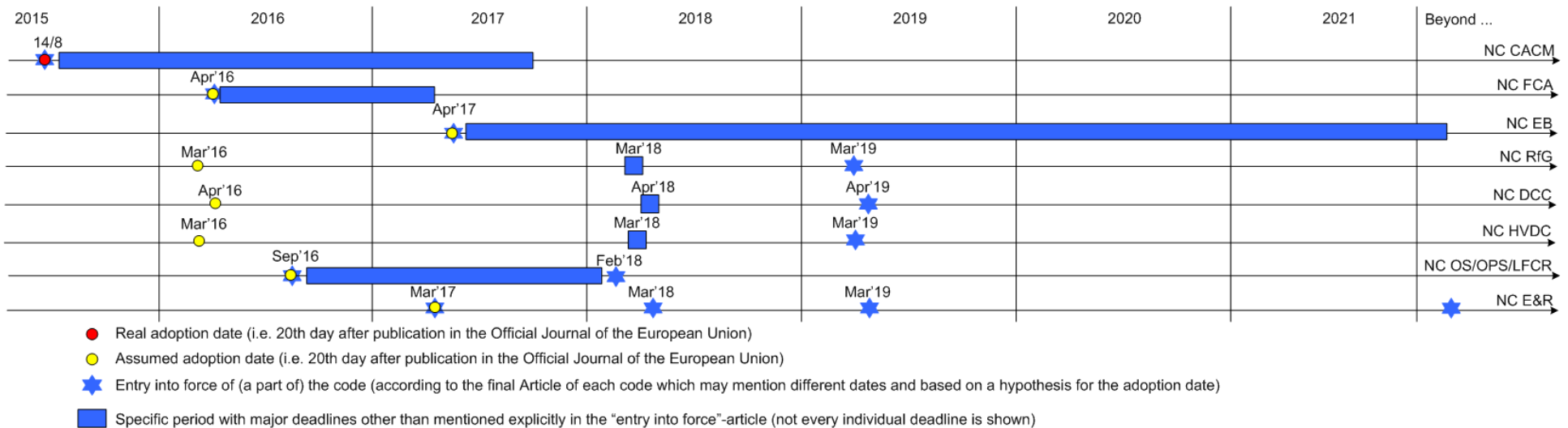
# Feedback from the Expert Groups of 26/11/2015 and 25/1/2016 (4/4)

## Feedback on “Connection and compliance process”

- Focus on the *process*.
- Several content-elements (in particular related to compliance) are to be discussed in technical topics.
- Elia’s proposal aims at integration in the business-as-usual while limiting the ‘(administrative) burden’ triggered by the network code
- The earlier UG-proposal on capacity reservation can be integrated in the proposal. It does not interfere with the NC requirements and rather deals with the phase coming before the EON/ION/FON/LON-process.
- Some specific questions were asked (e.g. process for connection of auxiliaries of a connection unit).
- Some items have not yet been discussed (e.g. the process for DSR)

# Planning proposal for 2016

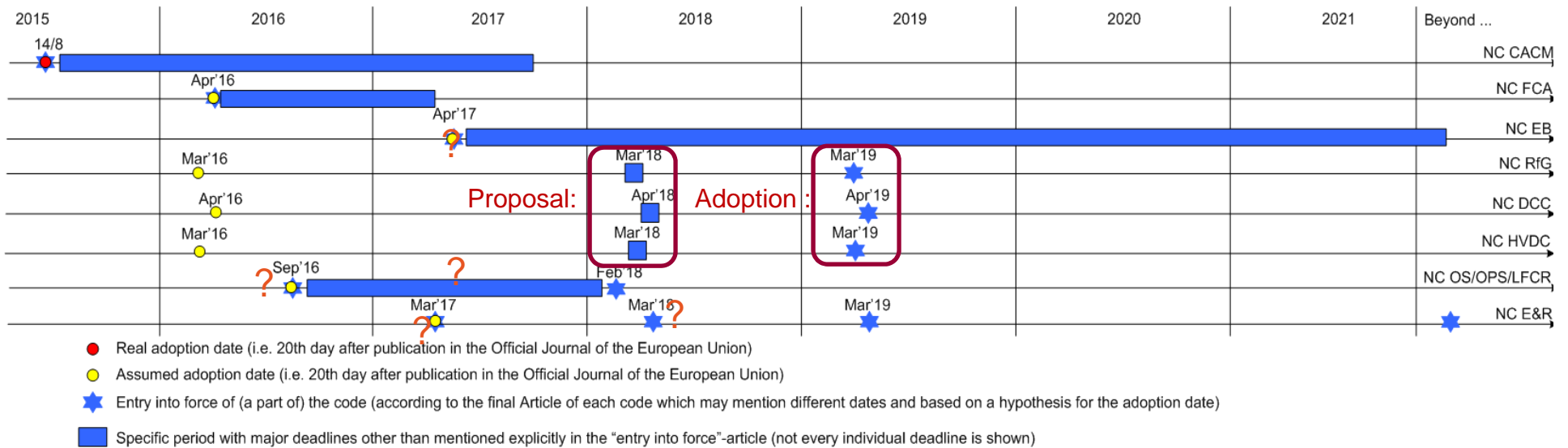
# Global view on timings



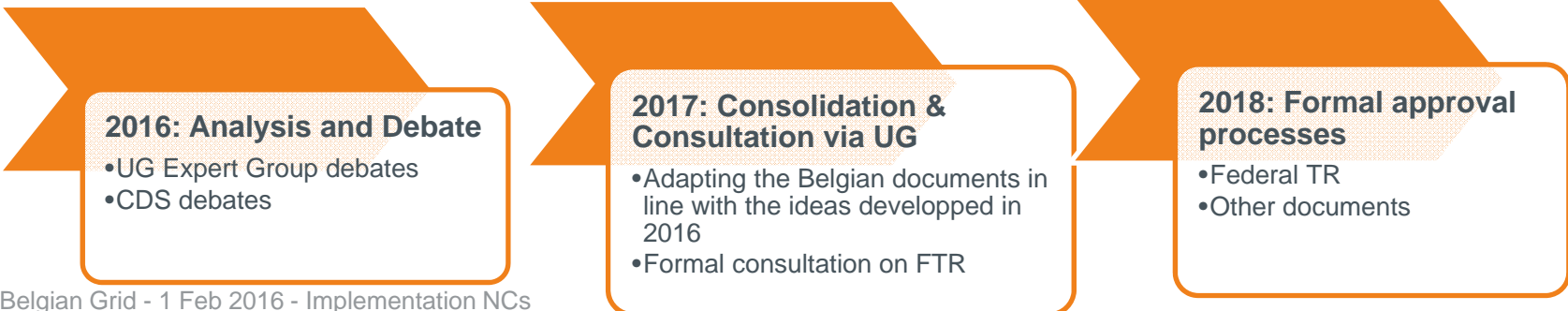
## (Subject to the adoption progress and potential consequent changes)

- **FCA, CACM:** deadlines spread over a period, limited (or no) direct national impact at entry into force
- **EB:** deadlines spread over a period, BUT potentially direct impact at entry into
- **RfG, DCC, HVDC:** main deadlines after 2 and 3 years after entry into force, limited (or no) direct impact at entry into force. However, large preparation process required. – **Exact timing subject to final date of adoption**
- **Operational Guideline:** main deadline (and direct national impact) at entry into force with more time for some selected aspects – **Timings crucially depend on Comitology outcome**
- **E&R:** deadlines spread over a period, BUT potentially direct impact at entry into force

# Global view on timings



- ➔ Cluster as much as possible around the big milestone(s), i.e. early 2018 a proposal on Federal Grid Code (and other documents)
- ➔ For other aspects before 2018/2019: be pragmatic, postpone and/or ad hoc treatment

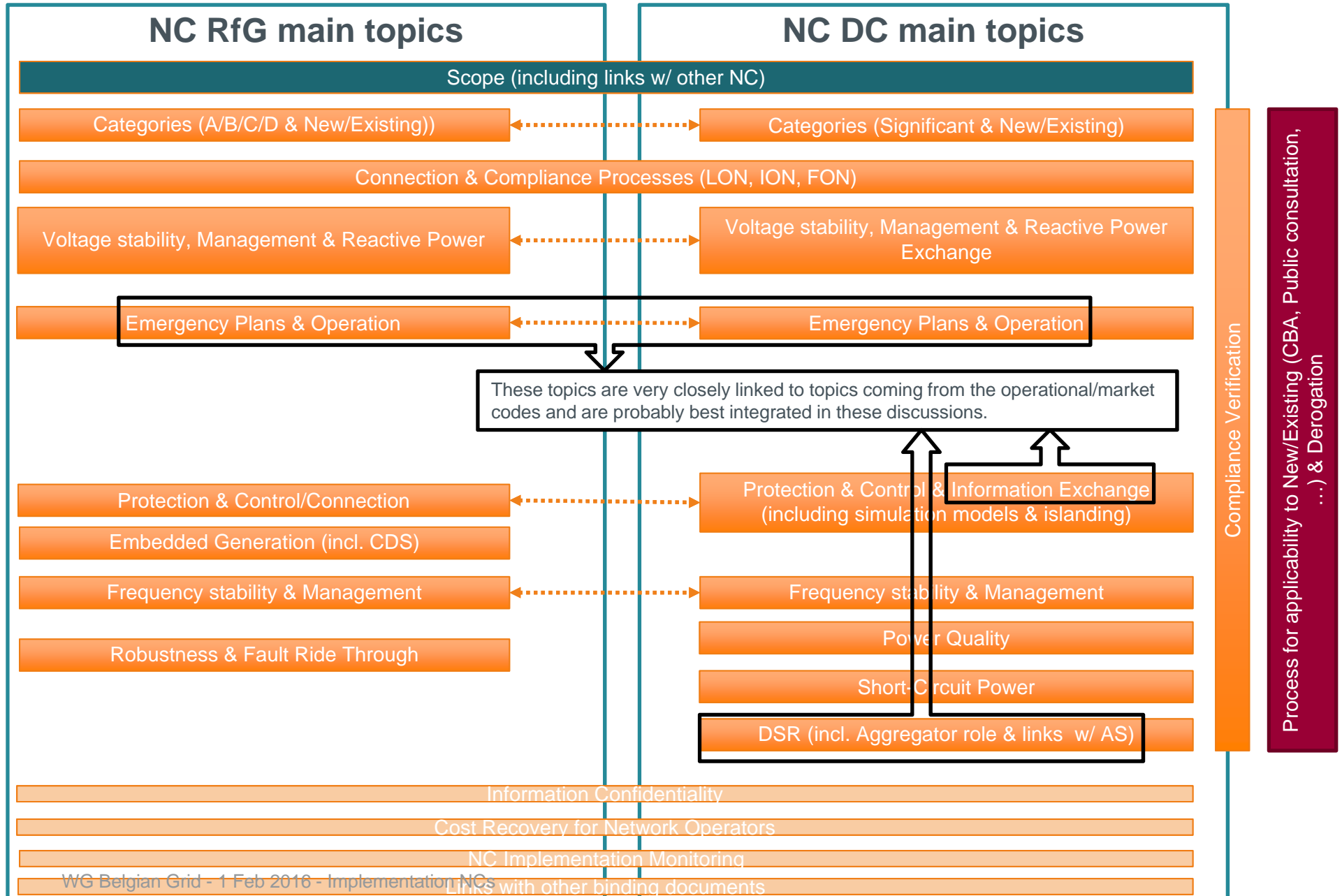


# Further planning Expert Groups

- **Market codes:**
  - **CACM, FCA:** approach discussed in UG WG European Market Design
    - ➔ A priori no topics for national stakeholder debate, hence **no extra Expert Groups**
    - ➔ Stakeholders are recommended to follow the regional/European stakeholder platforms
    - ➔ In WG EMD the progress and status will be reported (as usual)
  - **EB:** Approach to be discussed in TF Balancing when the NC is more mature.
- **Operational codes:** Approach to be discussed in next UG WG System Operation
  - ➔ Likely need for a **limited number of expert groups** at national level (such as information exchange, some E&R topics), already **in 2016**
  - ➔ Other aspects can most likely be covered via the normal processes and existing stakeholder interaction.
  - ➔ LFCR aspects (e.g. reserve dimensioning) to be dealt with in TF Balancing
- **Connection codes: RfG & DCC (& HVDC)**
  - 1<sup>st</sup>e Expert Groups on 26/11/'15 and 25/1/'16. Next on 25/2/'16
  - 3 topics already launched: SGU, connection & compliance process, reactive power management and voltage
  - ➔ **Several Expert Groups** needed for remaining topics to be discussed **in 2016** (see next slides)

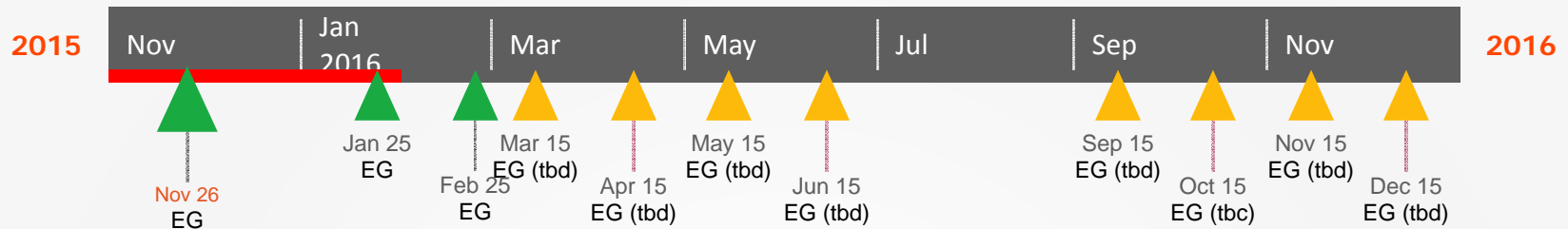
Stakeholder debate will be intensive, but needed.

# NC RfG & NC DCC – Overview of Main topics

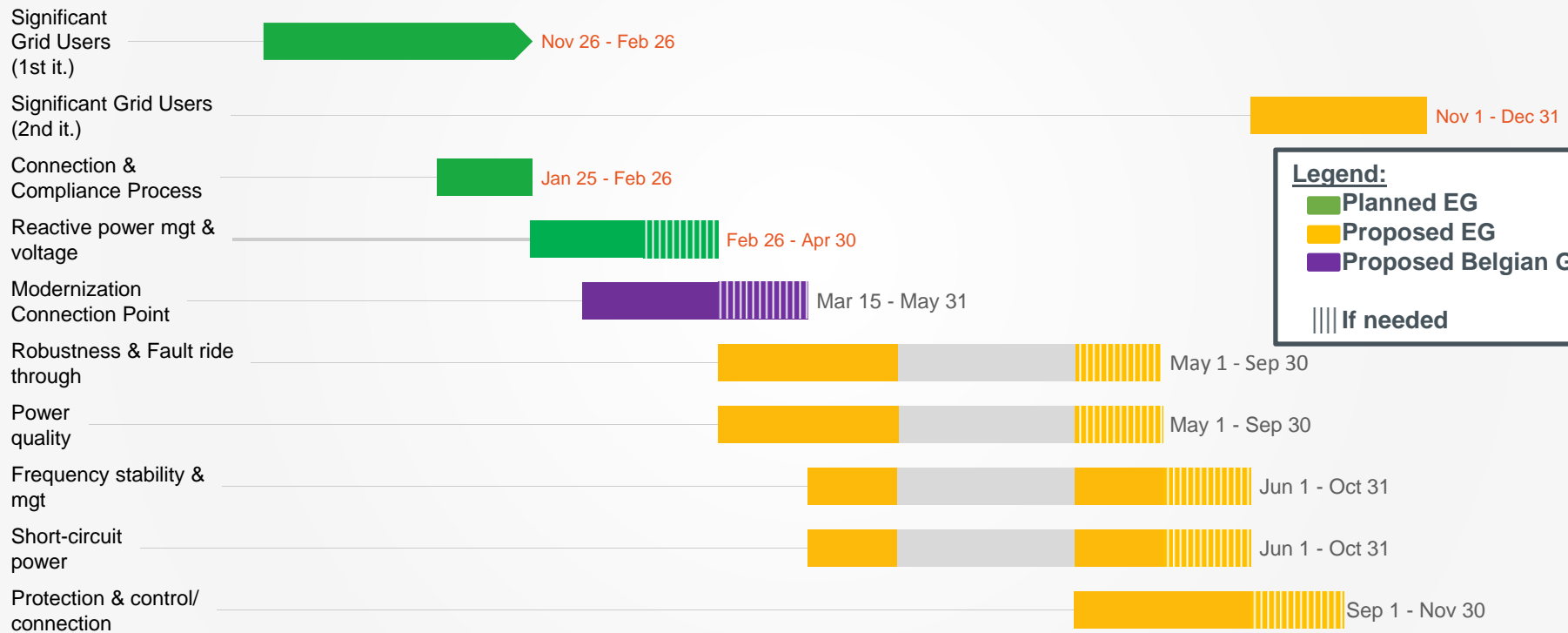




# Planning of content-discussion in the Users' Group for connection code topics



## Topic:



**Legend:**

- Planned EG (Green bar)
- Proposed EG (Yellow bar)
- Proposed Belgian Grid (Purple bar)
- If needed (Vertical lines)

- Principles:**
- Each topic is first 'high level' introduced in WG Belgian Grid prior to organizing a dedicated Expert Group meeting
  - Per topic, 1 Expert Group meeting per month during which the topic is being discussed
  - Let's aim for 2 Expert Group meetings per topic, a third meeting is optional

## Some remarks

- The planning on the previous slide *only* deals with the content-discussion linked to connection codes (and elements from operational codes directly linked to those topics). The further treatment towards proposals for Federal Grid Code (and other documents) should follow afterwards.
- The topic ‘modernization connection point’ is proposed to be discussed in WG Belgian Grid, not in a separate Expert Group due to its *transversal* nature.
- Practically, it is proposed to cluster different Expert Groups on one day, although they officially remain separate meetings (e.g. separate MoM). However, per topic stakeholders can be represented by different experts.
- Topics from ‘operational codes’ are to be added after WG SO. It is likely that one or two topics will have to start before summer (e.g. information exchange).

Website: <http://www.elia.be/en/users-group>



Elia, Belgium's electricity transmission system operator > Users' group > Implementation EU Network codes

## IMPLEMENTATION EU NETWORK CODES

- › [The EU Network Codes](#)
- › [Status of the Network Codes](#)
  - › [General information](#)
  - › [Adopted Network Codes](#)
- › [Role of Elia the Users' Group in the implementation process](#)

### The EU Network Codes

The EU Network Codes are sets of rules adopted by the European Union, through the Comitology process, to then be implemented across Member States under the form of EU regulations. When they become law, the network codes will have the same status as any other European regulation and will govern all electricity market transactions with a cross-border impact.

As defined in Regulation (EC) N°714/2009, the network codes have to facilitate the harmonisation, integration and efficiency of the European electricity market. Each network code is an integral part of the drive towards completion of the internal energy market and achieving the European Union's 20-20-20 energy objectives.

The network codes cover three interrelated areas:

- › **Connection topics:**

TSOs operate the electricity transmission grid. Generators (who produce electricity) and large customers (who use electricity themselves or sell it on to smaller customers) are connected to and use these grids. The rules setting out the requirements for these users to connect to the transmission grids are covered by the connection codes. The codes are the following: Requirements for Generators (NC RfG), Demand Connection Code (NC DCC) and High Voltage Direct Current (NC HVDC).
- › **Operational topics:**

To keep an electricity system reliable, sustainable and stable, each TSO makes plans and schedules to be

Plenary Meetings	▼
Working Group European Market Design	▼
Working Group System Operation	▼
Working Group Belgian Grid	▼
Balancing Task Force	▼
Task Force « Implementation Strategic Reserves »	▼
<b>Implementation EU Network codes</b>	
Experts Group Implementation NC	
Public Consultation	▼
Archive	▼
Official documents	



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Agenda	
Topics	
Public Consultation	▼
Archive	▼
Official documents	

## AGENDA

### Experts Group session 1

<b>Thursday 26/11 14:00-16:30</b>	Topic « <b>Significant Grid Users</b>
	<a href="#">Introduction by Elia - Presentation proposal Elia</a>
	Presentation ppt from UG members with feedback/remarks/alternative proposals <ul style="list-style-type: none"><li>› <a href="#">Generators point of view on categorisation of Significant Grid Users</a></li><li>› <a href="#">Argumentatie voor vastleggen van grens tussen generatoren type A en B (in Dutch)</a></li></ul>
	General discussion

### Experts Group session 2

<b>Monday 25/01/2016 14:00-17:00</b>	<a href="#">General introduction</a>
	Topic « <b>Significant Grid Users</b> »
	<a href="#">Approval of the minutes</a> (in French) from the Experts Group Session 1 of 26/11/2015
	<a href="#">Presentation by Elia of updated proposal &amp; answer to comments received</a>
	<a href="#">General discussion &amp; update of proposal on topic 'Significant Grid Users'</a>
	Topic « <b>Connection &amp; Compliance processes</b> »
	<a href="#">Introduction by Elia - Presentation of the initial proposal</a>
	<a href="#">Presentation ppt from FEBELIEC with feedback/remarks/alternative proposals</a>
	General discussion

# Next steps

- **Meeting of 25/2:**
  - Significant grid users (final meeting of 1st iteration)
    - *Stakeholders are asked to communicate their written input on “items which are particularly challenging concerning the proposals for limits ABCD” to Elia by 15/2/2016, allowing a proposal for consolidation to be made by 25/2.*
  - Connection & compliance process (final meeting)
  - Reactive power management & voltage (1st meeting)
- Given that 3 topics will have to be discussed, it is proposed to extend the meeting from 3 hours to 4 hours (i.e. from 13h30 until 17h30 instead of 14h-17h)
- **Doodles for other timeslots** for expert groups (clustered) will be launched soon
- Introductory presentations to be aligned with **WG Belgian Grid schedule**, potentially also clustered.