



GEODE COMMENTS ON EUROPEAN COMMISSION PUBLIC CONSULTATION ON THE ESTABLISHMENT OF THE ANNUAL PRIORITY LISTS FOR THE DEVELOPMENT OF NETWORK CODES AND GUIDELINES FOR 2014 AND BEYOND

GEODE - the Voice of local energy distributors across Europe - welcomes the opportunity to provide comments on the European Commission Public Consultation on the establishment of the annual priority list for the development of network codes and guidelines for 2014 and beyond.

GEODE supports the priorities proposed by the European Commission for 2014 in the Consultation document. We particularly emphasize the importance of prioritizing the work started in the past years regarding the developing of Network Codes both for Electricity and Gas by ENTSOE and ENTSOG.

GEODE also agrees with the Commission that the implementation of the third energy package provisions is essential, together with the enhancement of investments in energy infrastructure.

Regarding the priority areas for 2014 which consist in the finalisation of the Guidelines and Network Codes that are currently in the drafting process, **GEODE** agrees with those suggested by the Commission. The deadline of 2014 for an integrated internal energy market is primarily relevant to the market related codes. Defining common operational security requirements relevant to cross-border market functioning is essential for developing further technical codes and therefore should be given immediate priority.

Special attention should be given to e.g. system security standards that are to be developed and must be underpinned by rigorous economic assessment. Rules on harmonised transmission tariff structures in electricity and gas, as well as guidelines for favouring cross-border trade of electricity and gas, are also important.

Regarding Network Codes and Guidelines beyond 2014, **GEODE** would support the development of Network Codes rather than Commission Guidelines as the process is more transparent and allows greater involvement of stakeholders, in particular of DSOs who - as network operators - are entitled to a greater level of involvement in the drafting process together with ENTSOE and ENTSOG. Nevertheless all Network Codes should be accompanied by corresponding economic impact assessment that is submitted to public consultation justifying thereby needs when modifying existing operational rules.

GEODE would like to underline that Network Codes should be consistent with EU energy policy rather than creating barriers, e.g. some of current Network Codes under development might create unwanted barriers to the development of Smart Grids.



Network Codes should set minimum common standards in order to prevent situations that could have a negative impact exclusively on cross-border trade, and on the European system operation and security, respecting the subsidiarity principle. The Network Codes should not go too deeply into detailed provisions nor go beyond cross-border issues. The principle “one-size-fits-all is not suitable; technical conditions and operation vary a lot among distribution grids and its users in Europe.

Finally the Network Codes should be accompanied by relevant impact assessments submitted to public consultation that are lacking.

Brussels, 13 May 2013