



GEODE Workshop

Electricity Network Codes – Impact on DSOs

Brussels, 17 September 2013

On 17 September **GEODE** has been holding a workshop on “**Electricity Network Codes, NC – Impact on DSOs**” in Brussels. 20 participants from 8 European countries attended the event and provided a lively and informative exchange of knowledge.

Mr David Treballe from Gas Natural-Fenosa, Chairman of the Task Force DSOs Technical Expert Group System Operation NC and Johan Lundqvist from Svensk Energi, one of GEODE’s representatives at the DSOs Task Force were participating in the workshop and shared their knowledge and experience in the Network Codes drafting process. Pavla Mandatova from Eurelectric and coordinator of the DSOs’ Task Force also attended the workshop.

Carmen Gimeno, GEODE Secretary General opened the meeting by presenting the legal process of the drafting of Network Codes and Framework Guidelines and their adoption through comitology procedure. She described the role of different actors involved, ENTSOE, ACER, Commission and how DSOs interact with these bodies, particularly focusing on the DSO Task Force of Technical Expert Groups that is bringing together experts from all European DSO associations - GEODE, EURELECTRIC, CEDEC and EDSO for Smart Grids.

Mrs Gimeno underlined that the Network Codes currently being developed by the European Electricity TSOs body, ENTSOE are of key importance for DSOs and will highly impact the way DSOs operate their grids once the Network Codes are adopted.

Most of the Network Codes have particular provisions on technical requirements for the operation of the distribution networks since ENTSOE considers that everything that might affect security of supply might have a cross-border impact and therefore the drafting of new rules is permitted.

The Network Codes once adopted by the Commission become EU Regulation and therefore are binding legislation that directly applies in all Member States and will affect the daily operation of the grids.

Thereafter the respective Network Codes were presented in terms of content and the current state of play. The provisions of each Code that might impact DSOs were highlighted as well as the concerns expressed by the DSOs Task



Force. For more information please find the presentations attached to this message.

Mr David Trebolle from Gas Natural-Fenosa – in cooperation of his colleague Jorge Tello presented the System Operation Network Codes while Johan Lundqvist from GEODE Member Svensk Energi presented the Connection Codes.

System Operation Codes:

The key message from DSOs is: Not all DSOs should be affected but only “significant ones”; DSOs’ impact on cross-border performance depends on the voltage levels the DSO operates and the degree of penetration of distributed generation in the DSO grid.

- **Operational Security, OS NC**
 - Is the umbrella Code of the System Operation Network Codes. The NC was first rejected by ACER who addressed some of the DSOs concerns
 - The Code has being redrafted by ENTSOE and sent to ACER for opinion
- **Operational Planning & Scheduling, OPS NC**
 - The NC was first rejected by ACER and has been revised by ENTSOE and sent again to ACER
- **Load-Frequency Control & Reserve, LFC NC**
 - The Code treats the aggregation of small units in low voltage grid – ENTSOE is considering demand response for households.
 - ACER has released a positive opinion on the Code and recommended its adoption to the Commission
- **Balancing NC**
 - This Code opens the door to deal with “market issues”. ACER has recommended within its Framework Guidelines that DSOs have to be involved when elaborating Terms and Conditions since DSOs have the same obligations as TSOs and 90% of consumers are connected to DSOs. DSOs ask for a “veto right” to avoid constraints in the distribution networks.



- ENTSOE is preparing a final Code after the public consultation was closed in mid-August. The NC was first rejected by ACER

Connection Codes: these are the basic Codes for the operation of the system

- **Requirements for Generators – RfG NC**

- Applies to
 - All new generation from 800 W, and if national TSO and NRA decides, on existing generation also
 - DSOs that connects to generation, or have significant ones connected. DSOs affected at the connection point and during the operation

- **Demand Connection NC**

- Issues of concern for DSOs
 - Reactive power requirements for TSO-connected DSOs
 - Connection of consumers with DSR related functionalities – the procedure itself and as being a pre-condition for connection
 - DSR compliance testing and monitoring

- **State of play**

- These two Codes are at the precomitology phase, being reviewed and redrafted by the Commission. Comitology is likely to start end of 2013 or beginning of 2014 at the latest
- Kema has been mandated by the Commission to prepare a Cost-Benefit Analysis
- It is also possible that both Connection Codes are submitted together to Comitology.
- At this moment the actions to defend DSOs' concerns should be taken at the Member States level. The DSO Task Force will prepare and circulate within members common key messages to be delivered to national authorities participating in the comitology

Mrs Gimeno encouraged participants to circulate the information of this workshop to further DSOs and to acknowledge the importance of being actively involved in the Network Codes' development.

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