

ENTSO-E response to the public consultation EREG Draft 2010 Work Program

Brussels, 5 November 2009

1. General remarks

ENTSO-E welcomes the opportunity to comment on EREG's Work Program for 2010, published in September 2009.

The success of the EU 3rd Energy Package lies in a clear definition of roles and responsibilities. The implementation of the Package has now begun. ENTSO-E has decided to publish its first Work Program¹, ahead of the formal entry into force of the Package, such that we can make the best use of the implementation period to test the 3rd Package processes and to progress those issues of most interest to stakeholders, regulators and the European Commission. In this context, it is useful that EREG has submitted its draft Work Program for public consultation. Both consultations provide openness to stakeholders and facilitate the necessary coordination of activities between the market parties, EC, EREG and ENTSO-E on issues related to the regulatory framework under the 3rd Package.

At the heart of the 3rd Package is the development of EU-wide network codes, drafted by the two ENTOSOs in 12 areas for the integration of the electricity and gas markets. These codes should be in line with Framework Guidelines which are to be developed by the Agency. ENTSO-E welcomes the opportunity to test the process for developing Framework Guidelines and Network Codes through a pilot project in close cooperation with EREG.

As regards the overall priorities (key work areas), ENTSO-E notes that the proposed areas of work on Framework Guidelines appear to be consistent with the priority areas for network codes proposed by the EC and ENTSO-E. However, given that the different EREG deliverables mentioned in the work program are not defined, it is not clear what results to expect and what impact these deliverables may have on TSOs. In particular, we would appreciate more details about the features of deliverables such as "input to Framework Guidelines" and "Guidelines for Good Practice". We notice that EREG plans to undertake work aimed at delivering Guidelines for Good Practice in areas where Framework Guidelines are foreseen, at least in a later stage. In order for ENTSO-E to contribute to EREG work via consultations in a constructive and efficient manner, a better understanding of the objectives of the various EREG deliverables would be welcome.

In this context, ENTSO-E remains concerned that the level of detail of the Framework Guideline remains unchanged²: Framework Guidelines should deliver the overlying "consistency framework" for a given subject (e.g. all generator connection issues) specifying target objectives and main principles without anticipating corresponding technical solutions.

¹ The public consultation on the ENTSO-E 2009-2010 Draft Work Program was launched on 30 September, 2009.

² ENTSO-E response to EREG consultation on Guidelines for Good Practice on Electricity Grid Connection and Access.

The solutions are to be worked out by ENTSO-E in the areas of respective underlying codes. A given Framework Guideline could cover several network codes.

Also, from our understanding of Regulation 714/2009, article 8.11) and Chapter II Regulation 713/2009, we had expected that the ERGEG work program would provide some references to broader deliverables such as the “reasoned opinion” on the ENTSO-E 10-year network development plan.

2. Answers to questions for the public consultation on the 2010 Work Program

Q: Assessment of general approach and objectives

This has been commented under section 1.

Q: Do you consider that the deliverables we have proposed are an adequate means to reach our key objectives?

See comments under Section 1 in relation to greater clarity on deliverables.

Q: Please indicate the deliverables you consider as very important, important or not important?

Although ENTSO-E welcomes ERGEG’s prioritization of deliverables, a more detailed coordination between ERGEG and ENTSO-E appears necessary to ensure a common understanding of the content and timing the deliverables. For example, it is not clear to us what is meant by activity #4 (long term capacity allocation) or activity #5 (optimised use of capacity) taking into account the activity #2 (FG on capacity allocation and CM). All three seem to deal with the same subject.

We are pleased that ERGEG aims to deliver input to Framework Guideline on transparency in the electricity market (activity # 9) since this priority goes hand in hand with one of ENTSO-E’s priorities namely, Transparency, Design for market integration, General connection conditions.

Q: For the deliverables with consultations or hearings, do you intend to participate?

ENTSO-E will participate in all consultations relevant to TSOs. With reference to the principles for ENTSO-E consultation practice published on the ENTSO-E website, and our draft work program, we are pleased to confirm our commitment to launch public consultation on the key deliverables mentioned in the 3rd Package whenever appropriate.

Q: Do you have any specific comments on any of the individual deliverables?

In addition to ERGEG proposals in section 3.1.1 Regulatory Aspects of Grid management, we believe there is a need for Framework Guidelines during 2010 in the area of wind generation integration into the grid and the requirements on generators with regard to grid connection.

We note that ERGEG plans to work on their input on the 10-year electricity network development plan and plans to organize public consultation on this matter. However, it appears that the time schedule envisaged by ERGEG conflicts with the ENTSO-E work plan since it would lead to a simultaneous consultation in Q1 by ERGEG and by ENTSO-E on the same first draft report. We therefore suggest launching the ERGEG consultation in the second half of 2010 which would enable all market parties to express their opinion on the basis of the first release of the TYNDP and provide more valuable inputs for both ERGEG and ENTSO-E.