ENDESA response to the ERGEG public consultation paper on proposed Guidelines for Good Practice (GGP) on electricity grid connection and access

We very welcome the initiative prompted by ERGEG of calling for a public consultation in favour of reaching an effective and harmonized grid connection and access rules which would be the based of further Framework Guidelines developed by the Agency.

Moreover, we positively underline that this document addresses the insufficient real-time information that the system operator (TSOs but even more often DSOs) receives from the generation units. At the moment the duty of providing the system operator with real-time data has been imposed only to large generation units due to the costs involved. However, in this document it is pointed as a requirement for all generation units. We believe this is a step further towards more efficient system management, especially with the boost of distributed generation that will increase the frequency of congestion in distribution networks.

In addition, we should start to foresee the necessity for establishing real-time monitoring tools - also at the consumption points - and take into account in the remuneration of the DSOs the added costs that this will involve.

As a general comment we missed references to any incentive/remuneration scheme in line with the investments required to fulfil all technical aspects mentioned in this document.

1. Do you agree with the problems these GGP are trying to solve – are there other problems that should be addressed within grid connection and access not yet included in these guidelines?

Yes, we agree with the problems arisen in this document that GGP are trying to solve.

2. Do these guidelines address the problem - will they lead to more transparent, effective and non-discriminatory grid connection and access?

Yes, we believe that these guidelines address the problem.

3. Please outline your views on the description of the roles and responsibilities set out in Section 3.

In general we agree with all the roles and responsibilities set out in Section 3. Nevertheless, we call for a better cooperation on equal terms between the TSOs and DSOs where DSOs should also participate in aspects related to TSOs and vice versa.

4. Are the technical framework and general provisions for generation consumption and DSOs relevant and practical? Is there anything else that should be included / excluded? (Sections 4 & 5)

Yes, we believe that both the technical framework and general provisions are relevant and sufficient therefore there is nothing to add or exclude from our side.

5. How would the implementation of these GGP affect your business / market – what would the impacts be?

The impact is least since these GGP are quite well in line with the regulation scheme implemented in Spain.

6. We note that respondents to the consultation on the Implementation of the 3rd Package asked for certain areas, such as priority access for renewables, to be dealt with the ERGEG GGP. Priority access has not been covered by these particular guidelines, however, regulators welcome further input on this and other relevant issues.

Priority of access and dispatch for renewable is a key point that should be addressed in the implementation of the 3rd energy package. Endesa[1] believes that such mandatory measures at EU level are unnecessary for the development of RES, could jeopardize security of supply and will hamper EU market functioning, in particular as RES will represent a substantial part in the overall electricity supply

In relation to the access to the grid, renewable and "conventional" generators should act on the same level playing field in terms of both connection point (to have a physical point to connect to the grid) and network access (the possibility to deliver the energy into the grid).

Moreover, RES generators, as well as conventional units, should pay the cost of local grid connections, should pay their share of network costs, and should have the same grid access rules.

The decisions concerning grid connection must be based on security, quality or continuity of supply criteria, according to which the operator should direct the generator to the connection point with the appropriate technical characteristics such as short circuit impedance. Connection rules must also be objective and non discriminatory.

- In the procedure for establishing a connection point, we believe that the best solution would be a system where distributors may reserve for each applicant (independently of its regime) the network capacity technically sufficient to release all its energy flow to the distribution network

1 In line with Eurelectric's opinion issued in its "Note on the Integration of Renewable Energy Sources into the Electricity System: Technical and economical complexities of differentiated treatment of RES by grid operators (November 2008)

(henceforth named as “releasing capacity”), whereas in case the connection point requires extra costs these should be covered by the correspondent applicant.

- By doing that, the distribution network would be gauged in such a way that even if all users are releasing their nominal power to the grid at the same time there will not be technical restrictions. In the absence of technical restrictions, the wholesale market will be the only mechanism deciding on when each generator can have access to the distribution grid and the amount of power that can release.
- Since this described situation is not the most usual, in case of technical restrictions due to insufficient evacuation capacity in the grid, it is essential that the System Operator (and not the distributor) decides which user have to be disconnected from the grid in favour of security of supply (as responsible for the reliability of the system as a whole)

Consequently, we would like to insist on the fact that all generators, renewable and conventional, should have a right to ask for reserve capacity, i.e. renewable should not have any priority in the access.

Finally in relation to priority of dispatch, we would like to stress that the order of dispatching installations should be in line with market principles (i.e. according to plant merit order), obviously respecting grid security constraints. Any deviation from such a principle will result in unforeseen market distortions.