bne-Statement

ERGEG Public Consultation Paper Pilot Framework Guidelines on Electricity Grid Connection

Berlin, 24.09.2010

We agree that general technical and organisational rules for the operation of the grids and the cooperation of transmission system operators (TSOs) have to be defined and enforced. Those rules ultimately have to be implemented by generators and (large) users as well, in order to be fully operational. The pilot framework does however not consider adequately, that, depending on the function of the generation units or (large) consumption units, there are different requirements with respect to the technical abilities. A generation unit participating in the balancing market has more advanced obligations than a generation unit that does not. Hence the minimum requirements should be more clearly differentiated in regard to the roles the different participants play.

The TSOs and DSOs have to ensure, that the minimum level of balancing power, black start capabilities etc. are at their disposal. The guidelines have to define, to what extent those services are to be provided within the grids to ensure a safe and reliable network operation. By which means (contractual, market based, etc.) the TSOs or DSOs achieve the minimum requirements is beyond the scope of the Codes developed by ENTSO-E, as those topics are in the competence of the national regulatory bodies. Therefore, the Code should not include any statement on economic sanctions or conditions (3.3.2, 3.3.5).

Questions for Consultation

General Issues
1. Are there additional major problem areas or further policy issues that should be addressed within the Grid Connection Framework Guideline?

The rules for the cooperation of the SOs and the timing of information exchange has a direct effect on cross-border trade, as grid restrictions have to be considered with the implicit or explicit auctions. The rules should therefore enable short-term/intraday cross-border trading. This will facilitate EU-wide balancing of intermittent power.

In 3.3.1 it is unclear, whether every new consumption unit connected to the grid is supposed to be able to provide demand-response or not. We advocate, that the decision to participate in a demand-response regime should be left to the consumer owning the consumption unit. Consumers not willing to participate should not be forced to implement technical equipment that is only needed for that purpose. Furthermore, the Pilot Framework Guidelines are indistinct when it comes to implications for the consumption unit and the energy supplier of the consumed energy. The DSO is responsible for the assessment of the situation in the grid and has to determine the need for extra load or load reduction. He is not responsible for direct actions on the consumption unit. Therefore the guidelines should not define any requirements that allow the DSO to control the consumer load.

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2. What timescale is needed to implement the provisions after the network code is adopted? Is 12 months appropriate or should it be shorter or longer?

At this early stage it is not appropriate to define a timescale for the implementation. The definition of the timescale should be developed in parallel with the (new) ENTSO-E-Codes. Only this way the impact of the new codes on the parties involved can be judged and an assessment of the time needed for the modifications of the technical equipment can be made. Most likely a step-by-step approach will be most cost-efficient.

3. Should harmonisation of identified issues be across the EU or, perhaps as an interim, by synchronous area?

For achieving the goal of a common electricity market a EU-wide harmonisation is without alternative. There should therefore be a clearly defined schedule for the implementation of harmonised rules. With the new Guidelines we expect an enhancement of the security of the synchronous areas. Therefore the identified issues should be implemented quickly. If the EU-wide harmonisation does take longer to implement, the quick implementation in the synchronous area is of greater importance.

Grid Users related Aspects
4. Should the requirements apply to existing grid users? How should it be decided? To which existing users should the requirements apply? How should timelines for transitional periods be set? Who should bear any costs of compliance?

General answers to these questions are not possible at this stage. It very much depends on the final content of the Code. As general requirements for a policy, transparency and non-discrimination are of eminent importance. On the question, who should bear the costs of compliance, the guidelines are not the appropriate place to decide those issues. This question can only be answered within the national context of grid-access and grid-regulation.

5. The framework guideline identifies intermittent generation, distributed generation and responsive demand as requiring specific grid connection guidelines. Is it appropriate to target these different grid users? How should the requirements for intermittent generation, distributed generation and responsive demand differ from the minimum requirements? Is there a need for more detailed definition / differentiation of grid users?

To differentiate the requirements for the named grid users is appropriate. The technical preconditions are different from those that are met with large (conventional) generation units. A further differentiation is very important. A small photovoltaic unit has different technical prerequisites compared to a large wind generator. And the costs for complying with new standards will depend on the size of the unit and the type of the technology used. Therefore a cost-benefit analysis should be carried out previous to the definition of the new framework. It should be examined, if a bundling of intermittent generation units in order to comply with new requirements is more cost-efficient than an obligation for every single unit.

Implementation
6. Is it necessary to be more specific regarding verification, compliance and reinforcement?

No, once the technical parameters are defined, they are easily verified. The issue of reinforcement can only be specified within the national grid-access regime.

7. What are the key benefits and types of costs (possibly with quantification from your view) of compliance with these requirements?

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8. How should significant generation and consumption units be defined?

We doubt that a EU-wide threshold can be defined. Whether a unit is significant depends on the size of the other units, the size of the unit in comparison to the grid-load and of the properties of the grid. Those issues should be considered in addition to a threshold value in order to apply the new issues to smaller units if necessary.

9. For what real-time information is it essential to improve provisioning between grid users and system operators? Do you envisage any problems such greater transparency? What are the costs (or types of costs) and benefits you would see associated with this?
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