European Federation of Local Energy Companies
Confédération Européenne des Entreprises Locales d'Energie

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ERGEG Public Consultation

Draft Guidelines for Good Practice on Electricity Grid Connection and Access
(ERGEG consultation paper – Ref E08-ENM-09-03 – 11 March 2009)

CEDEC Position Paper

CEDEC defends, at European level, the interests of local energy companies.
Through its members - among which VKU (Germany), Federutility (Italy), Anroc, Fnccr and Fnsicae (France), Intermixt and Inter-Regies(Belgium) - CEDEC represents 2000 companies with a total turnover of about 100 billion Euros and more than 250.000 employees.

These predominantly medium-sized local energy companies have developed activities as electricity and heat generators, electricity and gas distribution grid operators and suppliers, and are of considerable importance for regional economic development.
They attach great importance to this public consultation, also in the light of their central role in future evolutions in the field of smart grids and distributed generation.

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?**

Apart from the common rules for operational security that already exist on transmission level in the European synchronous area, a common and coordinated treatment of issues concerning grid connection and access seems a positive step in the developing electricity market.

Transmission and distribution system operators are indeed migrating from a role as infrastructure undertakings towards grid-user oriented service providers, interacting differently with different actors and independent grid users.
However – as we will underline further in the position paper – the services offered at DSO-level will be organized in a different way from those at TSO-level, for example given the higher number of consumption and (distributed) generation units that are connected to their grids.

The consultation document intends to initiate on ERGEG input to the draft Framework Guidelines for grid connection and access, which we consider a positive initial step.

But specific attention will have to be given to the role of DSO in the new procedure (that has been built in in the new regulatory package) on the development of the Framework Guidelines by the Agency.

As ENTSO-E is supposed to develop the necessary network codes on the basis of the Framework Guidelines, the currently proposed new procedure lacks clarity on how input form DSO will be integrated.
EU-wide common connection principles that will become valid in the future for generation units, consumption units and for DSOs are positive : DSOs however are not only connected to the transmission grid but are system operators themselves, with specific characteristics.

Therefore it is essential that in the new procedure the involvement of DSOs – already in an early stage of the development phase of Framework guidelines and network codes - will be guaranteed in an open and transparent way.

We highlighted this point already during the ERGEG workshop on GGP on Electricity Grid Connection and Access (Brussels, 15th of May 2009). This point has also been brought to the attention during the Madrid Forum (28th of May) and will be during the upcoming Florence Forum (4th of June).

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

As it is intended that the codes are specific enough to ensure EU-wide equal, non-discriminatory and balanced treatment of all grid users and grid operators, distribution grid operators need explicitly to be involved – as grid operators.

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

The description of the roles and responsibilities of DSOs seems coherent and complete.

While setting the terms and conditions for grid connection and access to their networks, the DSOs shall consult with stakeholders only "where appropriate", as described in the ERGEG paper. The regulator should be attributed a specific role in the consultation process with stakeholders.

The DSO shall deliver a proposition to any grid user requesting a connection to the grid.
If coordination between TSO and DSO is necessary to do so, and no agreement can be reached between them within a reasonable delay, a specific role for the regulator should be foreseen, in line with the dispute settlement role of the regulator described in point 3.2.4 of the ERGEG Paper.

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 ? (Section 4&5)

Connection procedures shall preferably be elaborated by DSOs, and approved by the regulator.

Especially concerning the specific requirements for distributed generation (points 4.3.4. and 5.4.4), a balanced relation between TSO and DSO will be crucial to agree on the necessary information and on information exchange.

The Technical Framework should not interfere with existing and well functioning standards.

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

In case the rules that are developed by TSOs are (too) simply copied and pasted to the DSO domain without taking into account the specific characteristics of the DSO as grid operator, suboptimal rules would become obligatory on DSO level and would result in more costs and less effective services for the final consumer and local electricity generator.

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 by ERGEG GGP. Priority access has not been covered by these particular guidelines, however, regulators welcome further input on this and other relevant issues.**

The development of a sustainable and secure energy market via renewables, combined heat and power and smart grids can only be achieved by involving the DSO's next to the TSO's.

The main aspect is in our point of view the modernisation of the grids. Therefore the EU should boost projects in Research and Development that focus on a secure and sustainable energy supply by a stronger integration of renewables and combined heat and power via smart grids.

Research and Development should also concentrate on technologies with focus on steering and storage technologies, that assure the stability of the grids in terms of high energy generation and low energy consumption or vice-versa.