

## 2<sup>nd</sup> Electricity Connection Ad hoc Expert Group Meeting

13 January 2010 from 10:30 to 17:00 hours

CEER premises, rue le Titien 28, 1000 Brussels

### MINUTES (V2)

Participants			
Asta	Sihvonen-Punkka	EMV (FI)	Chair
Andrea	Siri	Expert	
Bente	Danielsen	DERA (DK)	
Bernd	Klöckl	Expert	
Christina	Sepulveda	NVE (NO)	
Cristian	Lanfranconi	AEEG (IT)	
Frans	Van Hulle	Expert	
François-Annet	de Ferrières	CRE (FR)	
Katharina	Bauer	E-Control (AT)	
Margareta	Bergstrom	EI (SE)	
Mark	Norton	Expert	
Matthias	Boxberger	Expert	
Olaf	Islei	Ofgem (UK)	
Pablo	Simon	Expert	
Rafael	Bellido	Expert	
Ritva	Hirvonen	EMV (FI)	
Sven	Prochaska	BnetzA (DE)	
Tahir	Kapetanovic	E-Control (AT)	
Thomas Karl	Schuster	Expert	
Natalie	McCoy	CEER Secretariat	

#### 1. Opening

*The meeting opened at 10h32 Asta Sihvonen-Punkka (EMV, Finland) in the Chair.*

##### 1.1. Approval of the agenda

The Agenda was approved in the form shown in these minutes.

##### 1.2. Approval of the minutes of the last meeting

The 1<sup>st</sup> expert group meeting's minutes were approved and will be published on the website.

### 1.3. Introduction of new members

The Chair informed the group that 2 new members have joined the expert group: Mr. Riccardo Lama (Enel) and Mr. Pablo Simon (Endesa).

## 2. Impact Assessment process on grid connection

The Chair informed the group that ERGEG's Final Guidelines of Good Practice (GGP) on grid connection and access, which underwent a public consultation in 2009, have been published, along with an accompanying 'evaluation of responses' document. The GGP are non-binding recommendations by regulators which pre-date the 3<sup>rd</sup> Package provisions and the development of framework guidelines. The regulators' past work on these GGP will feed into ongoing work on the pilot framework guideline on grid connection. The GGP are not intended to be a substitute for the framework guideline process, but the expertise acquired in developing the GGP constitute part of the accumulated knowledge which regulators can use to develop the framework guidelines. Similarly, the public consultation on the GGP does not replace or duplicate the work of the expert group or any future consultation which the Agency may conduct on the framework guideline.

The Chair also reported that ERGEG will undertake work on other draft framework guidelines on operational security and capacity allocation & congestion management. ERGEG will also provide advice to the European Commission on comitology guidelines on transparency.

In parallel, ENTSO-E is working on a pilot network code on the connection of wind generation. ENTSO-E is currently considering whether to expand the scope of its pilot to other connections.

Regarding the issue of 'grid access', this is addressed in different ways across Member States and is not considered – as a whole – a priority aspect. Part of grid access-related topics is of a rather legal matter in the contract terms. Nevertheless, access cannot be completed disassociated from connection – so the framework guideline on grid connection should explain that access is to be addressed within the scope of another framework guideline. The aspects related to physical access and the physical interface of the body connecting to the grid will be addressed in the framework guideline on grid connection. Legal, contractual, etc. access issues are therefore outside the scope of this framework guideline.

ERGEG (Tahir Kapetanovic) briefly presented the draft impact assessment document, which includes the problem identification for grid connection. The first chapter of the document seeks to identify the general policy context – including the UCTE report on system split (2006) and CEER's statement on the 2003 black out in Italy. Other references could be mentioned in annex. The link to the 10-year network development plan should also be considered. As a basic reference, the legal provisions for framework guidelines in the 3<sup>rd</sup> Package will be quoted.

As a general comment, the context should mention that there are a number of drivers in electricity supply and market. As a result, in both the medium and long term, the network will become significantly more dynamic than has been the case to-date, requiring a clear framework for connection to this network.

ERGEG welcomed experts' views on the definition/scope of voltage deviation. As technical connections and problems are addressed in the framework guideline, the voltage standards should be referenced. The difference between 2 types of voltage issues should be explained - local standardised voltage tolerances, which are specified by standards and not directly relevant to EU grid connection rules versus the effect of voltage on interconnected networks (e.g. cascading resulting in voltage collapse, etc.) which could impact grid connection. Mark Norton explained that a balance is required when considering investment.

ERGEG welcomed experts' views on conditions and obligations related to grid connection, in terms of information and what is where and what is happening in real time. The quality, accuracy and speed of reporting the data is crucial for grid users/managers and could be relevant when talking about the physical grid connection process.

ERGEG feels it is important to highlight that the objective is to harmonise only the lowest common denominator where this is useful – i.e. not to over-regulate every issue if it is not necessary or relevant to cross-border trade and European market integration. In the objectives it could be useful to set out some criteria for why framework guidelines are of interest.

Mr. Norton commented that the draft document includes a number of opinions/statements which are not attributed to their source (e.g. regulators, TSOs, etc.). Statements of opinion should try to identify where/who the opinion comes from. ERGEG will review the document and try to address this concern.

Mr. Van Hulle commented that the reference to 'loose' rules should be revised to reflect rather the importance and need for 'precision' in the rules. Mr. Van Hulle will provide a suggested text.

Matthias Boxberger and Mr. Van Hulle commented that the diversity of grid connection rules is a paramount issue related to the need for a framework guideline. In addition, Boxberger noted the perspective of the framework guideline should be shifted more to the users and potential user, in particular as at present grid connection regimes are not optimal for free market conditions. Mr. Boxberger will provide suggestions for shifting the perspective to users.

The document should also specify that 'types of generators' should be treated fairly rather than equally.

Another issue identified by ERGEG is the relationship between grid connection rules and investment and whether reference should be made in the document. This relates to grid connection related costs and whether this could potentially impact decisions on investment (and therefore on sufficient investment in the network). Grid connection imposes costs either on the system or the customer side, it is therefore important to understand the scope of grid connection. From a regulatory perspective, costs must also be considered within the 'socialisation' effect of passing costs to network tariffs. In other words, grid connection rules may help provide clarity as regards the safe, reliable and economical balance of investments and the sharing of the costs of such investments.

Regarding renewables, ERGEG proposes to state the 'grid connection guidelines should not inhibit achieving the energy policy objectives of the EU.' This issue should be included in the objectives section.

The framework guideline will also help in terms of ensuring coordinated development of the networks.

The document should specify that while there are connection requirements, this should not affect potential innovations or technology developments and decisions.

In terms of exchange of data, ERGEG will propose text to underline that objective is to improve data exchange during the connection procedure.

ERGEG would also include a statement in the framework guideline to explain that they apply to new users (rather than already connected users) – in other words, no retroactivity/grand-fathering of existing contracts. Fundamental principles affect everyone, but changes apply only to new ones. This statement is distinct from the standard principle that users must comply with the current grid code requirements.

As a general comment, the responsible parties should be clearly specified (e.g. TSO vs. DSO).

ERGEG will provide a final concluding summary statement on 'why' the framework guideline is needed.

In terms of next steps, the experts will send their respective comments and suggestions according to the discussions above. **Comments should be sent by Friday 22 January 2010.** ERGEG will incorporate the input and re-circulate for final comments. A final draft impact assessment will then be prepared ahead of the next expert group meeting in March.

### 3. Presentations by experts

ERGEG presented its draft chapter of the impact assessment on the objectives for the framework guideline. The objectives reflect the points raised by the experts at the first expert group meeting.

The experts presented their views on the general, specific and operational objectives as well as the policy options of the framework guideline. The experts agreed that there is a need for action and that continuing with the status quo is not sufficient.

Among other issues, experts were interested in the need for a process for the modification of the codes (which could be done relatively quickly if needed).

Mr. Boxberger suggested that the experts could work to develop a short list and a long list of objectives, which would itself be a substantial effort. The Chair proposed that this work could be undertaken ahead of the March expert group meeting. **ERGEG will consolidate the expert views on objectives and circulate a note by end-January. The objectives could then be discussed during a phone meeting before March. A phone meeting will take place on 10 February 17h00 and in addition (if necessary to discuss remaining issues) on 19 February at 15h00. A number to dial is +43 1 205 640-74 and the confirmation of participation in the first meeting (and optionally in the second – to be decided on 10 February) should be sent to Mrs. Daniela Rubelli of E-Control, daniela.rubelli@e-control.at.**

### 4. General discussion on questions addressed and way forward

In terms of the next steps, ERGEG will circulate the impact assessment and a list of the objectives for experts' comments.

The Chair informed the experts that ENTSO-E and ERGEG are planning to hold a joint workshop on the pilot projects (grid connection framework guideline and wind connection network code). A date has not yet been set for this event.

It was agreed that the 3<sup>rd</sup> expert group meeting will be arranged on 08. March 2010.

ERGEG will propose to ENTSO-E30 March as the date for the workshop.

### 5. Any other business

### 6. Next meetings

**10 February 2010 – phone meeting 17h00-19h00 (dial +43 1 205 640-74)**

**(optionally) 19 February 2010 – phone meeting 15h00-17h00 (dial +43 1 205 640-74)**

**8 March 2010 – 3<sup>rd</sup> Expert Group meeting at the CEER premises in Rue le Titien 28, 10h30 – 17h00**

**30 March 2010 (yet to be confirmed) workshop with ENTSO-E and stakeholders**

*The meeting adjourned at 16h00.*