





## Outline of presentation

- Overview of ENTSO-E activities in interim period
- ENTSO-E 2009-2010 Work Program
- Work Program consultation results
- Network code priorities
- Status and learnings from the pilot project
- Consultation process
- Conclusion and outlook towards the first consolidated R&D program



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Rome, 11 December 2009*

## **3<sup>rd</sup> Package Implementation, Guidelines and Codes ENTSO-E Work Program 2009-2010**

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**President**



## Overview of ENTSO-E activities in interim period

- Interim period until Regulation 714/2009 and ACER's tasks apply, from 3 March 2011
- Work done by ENTSO-E in the interim period = preparatory input for future formal processes and deliverables after 3 March 2011
- Startup activities and staffing complete
- New premises near Schuman Square (Cortenbergh 100)
- Work Program highlights priority work areas, but much routine work is continuing – e.g. Winter Outlook, statistics, map
- TYNDP and consolidated R&D program important work products demanded by Regulation 714, delivered early
- Network codes and especially the pilot project are an important focus



# ENTSO-E Draft 2009-2010 Work Program

- First ENTSO-E Work Program
  - Bottom up process, coordinated by the Board
  - Assembly approval 23 September
  - Public consultation until 1 December
- Assembly approval of the final Work Program foreseen 16 December
- The priorities for the development of codes/framework guidelines are determined by the EC
  - Need for coordination EC, ERGEG/ACER and ENTSO-E
  - Learnings and coordination from pilot project with EC and ERGEG taken into account in the Program



# ENTSO-E Draft 2009-2010 Work Program

## Network code development priorities:

- **Pilot code** for grid connection of generators with special focus on wind generation
- Transparency
- Design for market integration
- Other chapters of generator connection code

## Further key areas – not related to codes:

- Ten year network development plan
- R&D Plan for TSO needs
- Common operational tools
- Position papers on future transmission technology, EMF and licensing procedures
- Long term strategy for system development
- Technical documents on operational reserves, and on determination of incident classification
- Ancillary services
- TSOs' economic framework
- Renewable energy sources



## Work Program consultation results

- A stakeholder workshop on 12 Nov. with about 50 participants
- Written comments from more than 10 stakeholders
- High appreciation
- Most comments can be accommodated
- Some suggestions on different priorities more difficult to accommodate
- Suggestions for more systematic monitoring (or overviews)
- Strong support for the pilot code, with emphasis on consistency between wind park connection and other generation connection
- High emphasis on urgency of congestion management and market integration, and also on operations codes



## Network code development priorities

- General considerations:
  - Network Codes have the potential to become **the** framework of rules needed for the secure operation of the European power system and to implement the IEM
  - It will take 3 years (or longer) to get binding codes in place according to Regulation 714/2009
  - It is a strategic decision **when** to start drafting a network code
- Conclusions:
  - Policy options must be clear before the framework guideline can set policy, to be implemented and detailed in network codes
  - This affects the best time for the EC letters to ERGEG/ACER (and later ENTSO-E)





## Proposed code-related work priorities

- **Pilot code for grid connection of generators with special focus on wind generation** – discussed in the June 2009 Forum already
- **Transparency rules**
  - Important aspect of a well functioning electricity market
  - The area is sufficiently mature;
    - aligns with EC priorities and ERGEG Work Program (FWGL)
  - An ENTSO-E Transparency Policy is under way; input to a network code
- **Design for Market integration**
  - Building on the outcome of PCG/MIDP – see agenda item 2



## Status of ENTSO-E work on the pilot code

- Joint work with ERGEG and EC started in July
- An ENTSO-E drafting team is very active since June, both for technical, ENTSO-E-internal work, and for initial informal consultations with the most affected stakeholders
- Based on internal work and on WP stakeholder feedback, consistency across all generation types now assured through one common code with different chapters
- Still subject – together with a later DSO and customer connection code – to the same one Connection FWGL
- A workshop planned in March, precise date to be coordinated with ERGEG
- A draft code scheduled for formal internet consultation ASAP after the publication of the ERGEG (input to the future) FWGL



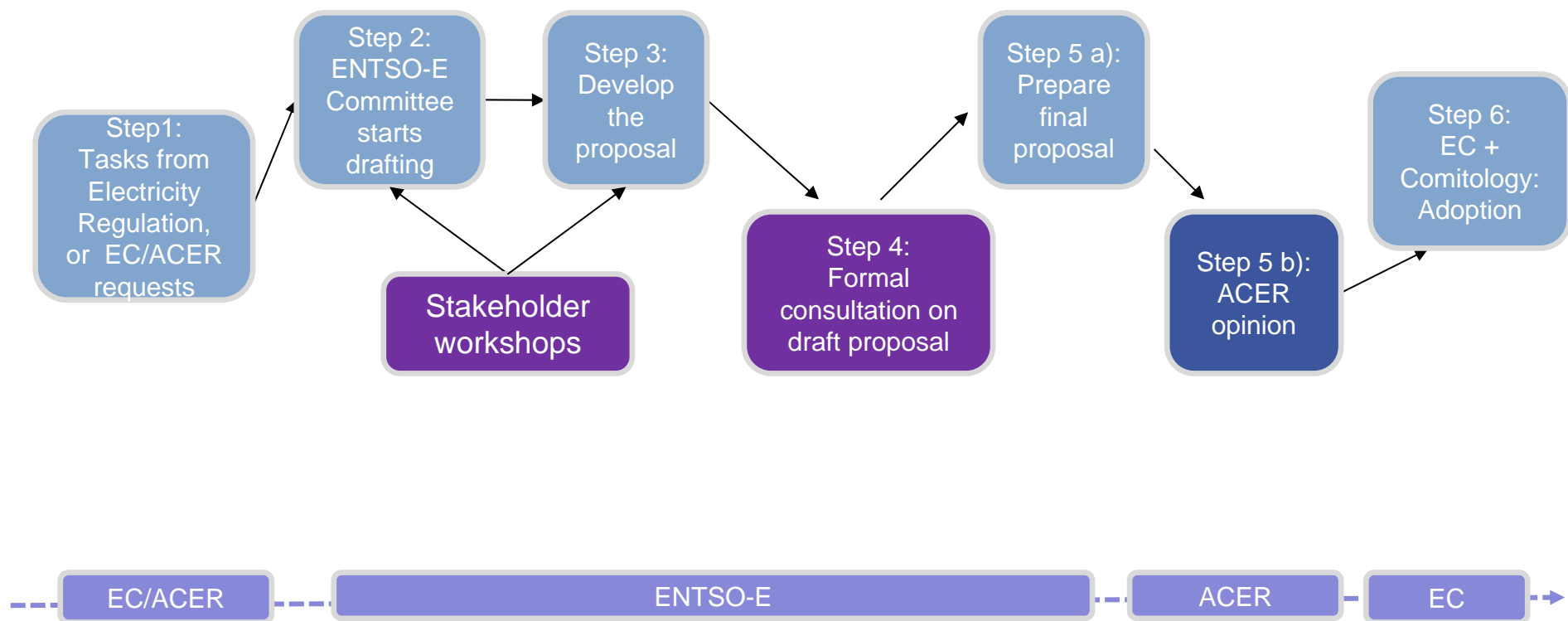
## Learnings from pilot project with ERGEG and EC

- Approximately monthly meetings, some focusing on contents issues, some on process
- Sequencing and level of details issues crucial, and the pilot already contributed much to a good common understanding
- Important learning: Some FWGL/NC areas of high importance and urgency do not yet have clearly described policy options
  - A scoping phase is needed before EC asks ERGEG/ACER for FWGL development within the Regulation's 6-month-period
  - To result in policy options but not policy choices
  - Intense communication EC – ERGEG/ACER – ENTSO-E necessary, but also stakeholder input
  - Examples: congestion management and market integration; system operations
- This understanding is reflected in the respective work programs

# ENTSO-E Consultation Process:

One process together with EC and ACER

Applies to network codes and other products





## Conclusion and outlook to R&D program

- Pilot project very useful
- Work Program and its consultation added much needed clarity
- Scheduled for before Christmas: The first consolidated R&D Program
  - R&D needs to be ramped up significantly, because of important and innovative role of TSOs for supporting Europe's energy policy goals
  - And to optimally use the enormous investments needed
- Stakeholder feedback crucial to Work Program, each network code, and especially to the TYNDP



Back up slides





# Network Code areas in the 3rd Package

## **1. Operations-related code topics:**

- (a) network security and reliability rules including rules for technical transmission reserve capacity for operational network security;
- (e) interoperability rules;
- (f) operational procedures in an emergency;
- (j) balancing rules including network-related reserve power rules;

## **2. Development-related code topics:**

- (b) network connection rules;
- (l) energy efficiency regarding electricity networks;

## **3. Market-related code topics:**

- (c) third-party access rules;
- (d) data exchange and settlement rules;
- (g) capacity allocation and congestion management rules;
- (h) rules for trading related to technical and operational provision of network access services and system balancing;
- (i) transparency rules;
- (k) rules regarding harmonised transmission tariff structures including locational signals and inter-transmission system operator compensation rules.



## The Pilot Project (cont.):

Testing the overall process structure, clarifying roles and responsibilities among EC, ACER and ENTSO-E

- The Regulation sets out the timeline for the regulatory process:
  1. EC determines the list of priorities
  2. EC asks ACER to draft a Framework Guideline (6 months);
  3. EC asks ENTSO-E to develop a draft code (12 months)
  4. ENTSO-E submits draft code to ACER for a reasoned opinion (3 months)
  5. (revision of the draft code by ENTSO-E, ? months)
  6. When ACER is satisfied with draft code, it submits the code to EC
  7. Following comitology process the code gets binding (? months)
- ➔ It will take around 3 years (or longer) to get binding codes in place!
- ➔ Crucial that roles and responsibilities are crystal clear to all involved parties in order to make the process run efficiently.