

# Energy UK's response to European Commission's consultation on the establishment of the annual priority list for the development of network codes and guidelines for 2016 and beyond

10 August 2015

## About Energy UK

Energy UK is the Trade Association for the energy industry. Energy UK has over 80 companies as members that together cover the broad range of energy providers and suppliers and include companies of all sizes working in all forms of gas and electricity supply and energy networks. Energy UK members generate more than 90% of UK electricity, provide light and heat to some 26 million homes and last year invested over £11 billion in the British economy. Energy UK is listed in the EU Transparency Register under ID no. 13457582538-68.

## Comments

Energy UK welcomes the European Commission's consultation paper on the draft annual priority lists for the development of network codes and guidelines for 2016 and beyond. As every year, this document provides an opportunity to discuss the main areas of work to be tackled by the Commission, ACER, ENTSOs in the upcoming months.

We also recognise the push given by the Commission to the electricity network codes and welcome the final approval of Regulation establishing a Guideline on Capacity Allocation and Congestion Management<sup>1</sup>- the first text to be adopted as part of the EU electricity network code process.

Energy UK expects that most of the remaining electricity network codes/ guidelines (NCs) will reach the final Committee voting still this year. We also consider it important that those NCs which are not scheduled for adoption this year<sup>2</sup> will be submitted for voting in 2016. Finally, we

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<sup>1</sup> Commission Regulation (EU) No 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1222&from=EN>

<sup>2</sup> This includes the rules on emergency & restoration, as well as the balancing rules including network-related reserve power.

would also like to suggest that the Commission to provide the stakeholders with a clear direction of travel for the electricity harmonised transmission tariff structures, taking into account the results of the on-going study on that topic and the ACER's recommendation<sup>3</sup>.

With a number of network codes/ guidelines to become binding EU law in the next months, the amount of work will continue to be significant. A proper NC implementation at the EU, regional and national level will be a significant and resource demanding task and we welcome the fact this is now recognised in the consultation document. We would like to emphasise that the existing work should take priority for all parties affected by their provisions and the efficiency of the NCs underway should be proven before any new network codes/ guidelines are envisaged.

In future code development, it is felt that more can be done to ensure consistency between codes at an earlier stage.

We continue to believe that the code development work lacks transparency. The one stage consultation phase does not enable much discussion between stakeholders and ACER or ENTSO when each issues a consultation. In addition, there is little visibility to stakeholders of the discussions between ACER and ENTSO. And the final Comitology phase lacks full openness and transparency. During this phase, there is no way for stakeholders to officially see any of the intermediary drafts, and the network code /guideline can change substantially from what was agreed during the previous industry consultations. In addition, changes at this stage may not be subject to Impact Assessments.

However, Energy UK also considers that in the upcoming months priority should be given to develop an accompanying and efficient network code/ guideline amendment process, covering in particular any unforeseen defects that needs to be resolved quickly.

Finally, we would also like to emphasise the importance of a wide and inclusive stakeholder involvement, which will be essential to ensure the long-term success of the NC project. While we welcome the establishment of the European Network Code Stakeholder Committees<sup>4</sup>, we also fear that their efficiency could prove difficult in practice due to the fact that solely European associations will be represented. As the EU network code implementation is mainly a national task, it should be ensured that various market arrangements around Europe are properly echoed within these newly created structures. Therefore we would like the Commission to take this important aspect into account and to make sure that a proper geographical representation of stakeholders from across Europe is ensured.

We trust that our comments are helpful. We would be happy to discuss any of the points raised in our response in more detail, should you find it useful.

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<sup>3</sup> <http://www.acer.europa.eu/Events/ACER-workshop-on-electricity-transmission-tariff-harmonisation/Documents/ACER%20Announcement%20%282%20Feb%202015%29.pdf>

<sup>4</sup> <https://www.entsoe.eu/news-events/announcements/announcements-archive/Pages/News/call-to-express-interest-to-participate-in-Market-European-Stakeholder-Committee.aspx>

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