

EC Public consultation paper of the priority list for the development of network codes for 2012 and beyond

Response from the European Wind Energy Association

Questions:

1. Are the priorities proposed for 2012 the correct ones?

EWEA agrees with the outlined priorities for network code development, namely the continuation of the work started in 2011 on capacity allocation and congestion management, grid connection, system operation and balancing rules and the mentioned new priorities in the consultation. EWEA will continue its close involvement in ENTSO-E's work, in particular on the network code on grid connection throughout this year and 2012 to ensure a robust network code with the highest possible level of clear and systematic specifications in accordance with the quality objectives stated in the ENTSO-E rules of procedure.

A further key deliverable for 2012 will be the first official 10-year network development plan (TYNDP). EWEA believes that during this year and 2012 it will be crucial to all affected system users to provide both input and critical feedback to ENTSO-E in order to convert the TYNDP from a mere forecast document based on national perspectives into a Pan-European planning vision for grid infrastructure with a priority list for projects and a traceable timetable.

On the planned network code on load-frequency control and reserves EWEA believes that work on this topic should be anticipated to this year as in some areas of Europe, in particular Ireland, UK, Cyprus, the Canary- and Greek Islands, this subject is extremely urgent already today.

Without anticipation of work on this network code subject the above mentioned regions will set out their own regional rules, which will surely differ due to the physical needs and legal framework in the region from the ones bound to be set up at a later stage at ENTSO-E level. For EWEA it is not acceptable if for this technically challenging subject regional rules are set up now, and in few years revised and possibly overruled by completely different rules at ENTSO-E level. The result would be regulatory and technical uncertainty for at least the decade to come.

The worst case would be a supplementary regulatory layer at European level, adding rather than solving existing diversity in network management rules: the real risk is then having over 30 unharmonised national rules with a high degree of diversity in technical requirements remaining with both an additional regional and later on European

regulation requiring a multiplicity of interpretations by ENTSO-E on a case-by-case basis. Such a diversity is not only making power generation unnecessarily expensive as it would increase the necessity for maintaining locally adapted products and maintaining staff for interpretation of network codes, but it also causes additional costs for network operators due to a persisting diversity of technical requirements across the EU.

2. What should be the longer-term priorities for 2013 and beyond? Please also specify in your response the expectations you have for the scope of these priorities.

In the current priority list it remains unclear which network code would cover binding rules on provision, procurement, trading and governance on ancillary services. This is a substantial shortcoming in view of the large part of the electricity demand that will be covered by variable renewable sources in the next decades – mainly wind and solar PV. EWEA believes that with regards to ancillary services there is the need to make optimal use of the specific characteristics of different generation technologies, given the fact that variable renewables provide grid support services, but not in an identical way as conventional thermal generation.

Whereas certain aspects of ancillary services procurement may be covered in the upcoming network code on balancing, we are still lacking a proper definition of ancillary services and linked deliveries at a European level. Furthermore, a wide range of ancillary services are a commodity with a market value and are to be traded as such. Therefore a market based approach to procuring ancillary services should be adopted where possible instead of mandating compliance. This would reveal the true value of such services while encouraging innovation and competition among power generation technology providers through the development of alternative sources. Ideally, the provision of some of these services should be made voluntary, with TSOs, and on European level ENTSO-E, to establish ancillary services markets to procure the required level of service. Such a market-based approach seems likely to reduce overall cost by the identification and procurement of the most cost-effective means of providing the necessary services.

Although some rules for ancillary services could be covered under already planned network code topics, i.e. network codes on balancing or on requirements and operational procedures in emergencies, EWEA considers it useful to have a dedicated network code outlining binding rules on provision, procurement, trading and governance on those services with the overall aim of developing a European market for ancillary services.

Furthermore EWEA has doubts whether a separate network code for HVDC connections as planned for 2014 is needed. Technically an HVDC connector is nothing different than a power park module (PPM) as currently defined in the Pilot Code for electricity grid connection, or a load, depending in which direction the HVDC is operating. Consequently the same technical rules should apply.

In case of treating HVDC connections with a separate network code it needs to be well defined already now if offshore wind farms are treated via an HVDC connection or as PPMs as set out in the Pilot Code in order to avoid overlapping rules.

On the planned network code on requirements and operational procedures in emergency, the notion “emergency” must be clarified in order to assess the adequacy of the timing. In case this refers to black start capabilities only, then the timing is reasonable. In case emergency also means frequency disturbances and resulting power-frequency control, or even short circuits, then this network code has to be defined much earlier.

3. Should a Framework Guideline be mirrored in only one Network Code or could it be divided in several sub-issues?

EWEA believes that a pragmatic approach should be taken when answering this question focussing on the actual objectives of network codes put in place according to Article 4 of Regulation (EC) No 714/2009. In EWEA’s view network codes must be established in accordance with ENTSO-E’s rules for the network code development process, in particular referring to item 2.2 on quality objectives with the outlined principles of transparency, unambiguousness, future proofing and relevance to the present, adequate level, measurability and consistent terminology.

To this end ENTSO-E should strive for the highest possible level of clear and systematic specifications in the network codes in order to ensure a practical application by system users throughout Europe. If a framework guideline covers a scope too broad to be covered adequately by only one single network code, enough latitude should be given to ENTSO-E with due involvement of affected stakeholders to mirror the scope of the respective framework guideline in more than one network code.

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