

21st Electricity Regulatory Forum Florence, 5-6 December 2011

Input from IFIEC Europe & CEFIC to
item 1.3 'The Network Codes on grid
connection, CACM and system
operation'

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Grid connection

- A “demand site” is often a network with several voltage levels (HV, MV, LV), connecting many loads and even generation units. IFIEC insists that the characteristics of closed distribution systems justify specific measures; CDS's can and will have a significantly different impact on public grids than generation- or demand-dominated sites. The code must specify critical issues at the interface point with the public grid, but not apply for equipment connection on the CDS
- Demand side management: IFIEC in principle supports measures aiming at improving energy efficiency and grid integrity and security, but industrial users cannot accept being arbitrarily used as back-up facilities for intermittent energy generation. Instead, voluntary solutions where industrial consumers offer flexibility by way of demand-side-actions and/or ancillary services against an appropriate compensation should be implemented. *Sometimes we “must run” too!*
- IFIEC is in discussion with ENTSO-E on the development of a specific grid connection code for demand

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CACM

- IFIEC participates in the ENTSO-E Stakeholders' Group
- Capacity calculation: IFIEC
 - wants rigorous flow-based method at all timeframes;
 - can accept smaller « Bidding Zones » (to increase calculation precision) but insists on maintaining or even increasing « Price Zone » sizes in order to promote competition and to make progress towards further EU-wide market integration.
- Intraday/day-ahead: for IFIEC, it remains to be proven that OTC-contracts would lead to higher social welfare than efficient and liquid market platforms. The most liquid markets already have exchanges, and GB is moving that way too.