

Agenda Item 5: Process for consideration of plant as new/existing

RfG Workgroup Meeting 5

20 November 2014

Rob Wilson

Application of RfG to Existing Generators

Code Text – Jan 2014 draft: Article 3a

- 3. Notwithstanding paragraph (1) and (2) the requirements set forth by this Network Code may be made applicable to Existing Power Generating Modules in a Member State, but only in case of factual change such as the evolution of system requirements including penetration of renewable energy sources, smart grids, distributed generation, demand response and taking account of the legitimate expectations of existing generating modules. The extent of the applicability of this Network Code to Existing Power Generating Modules shall be decided by the National Regulatory Authority following a proposal from the relevant TSO.
- (a) The Relevant TSO shall propose the application of this Network Code to Existing Power Generating Modules only following a public consultation.
- (b) The proposal by the Relevant TSO shall be based on a sound and transparent quantitative Cost-Benefit Analysis. This Cost-Benefit Analysis shall be carried out in accordance with Article 33(1) to (5) and shall include
 - i. the costs to Existing Power Generating Modules of requiring compliance with this Network Code
 - ii. the socio-economic benefit of application of the requirements set forth by this Network Code
 - iii. The potential of alternative measures, including network improvements to achieve the required performance.
- (c) The Relevant TSO shall only undertake the Cost-Benefit Analysis if an initial qualitative comparison of costs and benefits indicates that a subsequent analytical Cost-Benefit Analysis has a reasonable prospect of demonstrating positive cost-benefit. The initial qualitative comparison of costs and benefits shall in particular determine which there may be a viable case for application to Existing Power Generating Modules based on
 - i. the of sizes of Power Generating Modules; or
 - ii. types of Power Generating Modules or
 - iii. locations of Power Generating Modules or
 - iv. provisions of this Network Code.
- (d) The Relevant TSO may propose to apply this Network Code to Existing Power Generating Modules every three years.
- (e) The relevant TSO shall notify the launch of the procedure for re-assessment on its website. The date of notification on the website shall constitute the first day of the launch of the procedure for re-assessment. A public consultation shall be conducted in the frame of the procedure for re-assessment. Prior to the Relevant TSO carrying out the quantitative Cost-Benefit Analysis.
- (f) The Relevant TSO must receive the approval of the national regulatory authority in accordance with Article 4(3) before undertaking a Cost-Benefit Analysis referred to in paragraph b. A period of at least three years must elapse between each cost benefit analysis.

Application of RfG to Existing Generators

Summary

- By default RfG only applies to 'new' generators
- Existing generators continue to be bound by existing national requirements
- Retrospective application of RfG to existing generators is allowed but only if specific application is justified and a process to agree this is followed:
 - The TSO needs to identify a proposal for retrospective application
 - This proposal needs to be based on an initially positive CBA
 - To continue beyond this point needs agreement from the NRA
 - The TSO must launch a public consultation on the proposal
 - Following the public consultation a full CBA must be carried out
- Final approval of the retrospective application must be given by the NRA
- This process can take place only once every 3 years [it is not immediately clear if this is definitive or only for a repeat of the same particular points]

Categorisation of Generators as New/Existing nationalgrid

Code Text – Jan 2014 draft: Article 3a

- 4. With regard to Power Generating Modules not yet connected to the Network:
 - a) Within a delay not exceeding thirty months as from the day of entry into force of this Network Code, the Power Generating Facility Owner shall provide the Relevant Network Operator with a confirmation of final and binding contracts it has concluded for the construction, assembly or purchase of the main plant of a Power Generating Module with relevance to the provisions of this Network Code and which exists prior to the day, which is two years after the day of entry into force of this Network Code.
 - b) The confirmation shall at least indicate the contract title, its date of signature and of entry into force, and the specifications of the main plant to be constructed, assembled or purchased.
 - c) The Relevant Network Operator may request that the National Regulatory Authority confirms the existence, relevance and finality of such a contract, i.e. that its material terms can no longer be changed by one of the parties to the contract unilaterally and that no party to the contract has the right to terminate it at will. The Power Generating Facility Owner shall supply the National Regulatory Authority with all documents the National Regulatory Authority requests in order to ascertain that a binding and final contract exists.
 - d) The Power Generating Module shall be considered as an Existing Power Generating Module, provided that:
 - (1) In accordance with Article 3(4) (a) and (b) above, the Relevant Network Operator is provided with sufficient evidence of the existence of binding and final contracts for the construction, assembly or purchase of the main plant of a Power Generating Module exists prior to the day, which is two years after the day of entry into force of this Network Code; or
 - (2) Following the verification performed by the National Regulatory Authority in accordance with Article 3(4) (c), it is ascertained that binding and final contracts for the construction, assembly or purchase of the main plant of a Power Generating Module exist prior to the day, which is two years after the day of entry into force of this Network Code.
 - e) In case the Power Generating Facility Owner does not provide the Relevant Network Operator with the confirmation within the delay set forth in Article 3(4) (a), the Power Generating Module shall be considered as a New Power Generating Module.

Categorisation of Generators as New/Existing

Summary

- RfG applies by default only to generators categorised as ‘new’
- ‘Existing’ generators are not bound by the provisions of RfG except where the retrospective application process is followed for specific requirements
- “Existing’ generators are:
 - Those already connected to the network at the point that RfG enters into force
 - Projects in construction at this point where:
 - Contracts for main plant items are let within 2 years after entry into force
 - Existence of such a contract can be demonstrated to the Relevant Network Operator within 30 months of entry into force
- The NRA if required can confirm the existence of such a contract

[NB This provision is not particularly clear in the Jan 2014 draft and is likely to be revised to give member states the right to require demonstration of contracts]

- If such a contract cannot be demonstrated, the generator will be classed as ‘new’ and subject to the provisions of RfG