Grid Code Review Panel

Set up of Joint Grid Code / Distribution Code Workgroup to progress National Application / Implementation of the Demand Connection European Network Code

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Summary

The Demand Connection Code (DCC) will be the last of the three European Network Codes for grid connection expected to conclude the 'Comitology' phase and become European Law in Q2 2016. At this point it will take precedence over national codes and legislation, with member states permitted three years to ensure compliance.

This paper requests that the Grid Code Review Panel approve the formation of a workgroup to progress, in a timely manner, any changes necessary to the Grid Code to ensure alignment, to set national parameters as required in the code, to help identify any other implementation tasks and to identify and engage with impacted industry stakeholders and involve them in this process.

The nature of the DCC means that changes will also be required to the Distribution Code and therefore it is proposed that this workgroup should be run jointly with the Distribution Code Review Panel. This paper will therefore also be taken to the DCRP for subsequent approval before the workgroup is set up.

Users Impacted

High

Transmission System Operators (TSOs), Distribution Network Operators (DNOs), Transmission Connected Demand Facilities, Demand Facilities providing DSR, Aggregators and Directly Connected Traction Facilities.

Medium

Other industry stakeholders and demand Users

Low

None

Description & Background

The European Network Codes are one of the results of the 3rd Energy Package which was adopted in July 2009 and has been in GB law since March 2011. Ten Network Codes are currently being developed of which three, the Connection Codes, define the technical requirements upon connectees to Transmission and Distribution systems and hence impact the Grid and Distribution Codes directly:

- Requirements for Generators (RfG) – which sets functional requirements that new generators connecting to the network (both distribution and transmission) will need to meet, as well as responsibilities on TSOs and DNOs.
- **Demand Connection Code (DCC) – which sets out the functional requirement for new demand users and Distribution Network connections,**

as well as responsibilities on TSOs and DNOs.

- HVDC – which sets functional requirements for HVDC connections and offshore DC connected generation.

As these codes become European law, national application / implementation will be required to align the existing national codes and legislation with the European Codes. There are also a large number of parameters within each of the codes that need to be defined on a national basis, and in addition a set of future compliance requirements. The timescales for compliance are set out in each of the codes and in the current drafting are identical in each at 3 years from their entry into force as European Law.

DCC will be applicable to all new Distribution Systems, demand facilities and to any voluntary providers of Demand Side Response (DSR) to the TSOs or DNOs using new equipment.

'New' facilities are defined as those that have not let contracts for main plant items by 2 years after entry into force of DCC similar to the provisions in RfG. The code is not applicable to existing Distribution Systems and existing Demand Facilities unless they undergo substantial modernisation, or to demand facilities using existing equipment to provide DSR.

It is possible that elements of the code may also apply retrospectively to existing Demand facilities where the TSO is able to propose this to the Authority based on a sound and transparent quantitative cost-benefit analysis and subject to a public consultation.

RfG pp13_66[1] was first presented to the GCRP in September 2013 and formation of a Workgroup to progress GB implementation was approved at the November 2013 GCRP and December 2013 DCRP.

Proposed Solution

Establish a DCC implementation Workgroup, under the joint governance and guidance of the GCRP and DCRP. This will allow the national application process to be progressed, including understanding the structure of the code, setting of parameters in the code as required on a national basis, and corresponding code changes. It will also provide as much time as possible for broad stakeholder engagement to be initiated to understand the impact of DCC on GB parties and to allow stakeholders to reflect DCC requirements in equipment specifications.

The Workgroup will be chaired by National Grid and will be open to industry representatives. Invitations to join the Workgroup will be sent through the usual channels but also using the JESG mailing list and to contacts with the Smart Energy Code and Ofgem's Workstream Six of the Smart Grid Forum.

[1] http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-code/Modifications/GC0048/

Assessment against Grid Code Objectives

The objectives of the 3rd Energy Package are to develop a more harmonised European energy market and, in doing this, facilitate a move to more renewable energy sources while ensuring security of supply, enhancing competition and promoting cross border trading. Each of the points below is covered by this.

(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;

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As defined under the principles of the 3rd Energy Package.

(ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);

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As defined under the principles of the 3rd Energy Package.

(iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national

As defined under the principles of the 3rd Energy Package.

(iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.

As defined under the principles of the 3rd Energy Package.

Impact & Assessment

Impact on the National Electricity Transmission System (NETS)

Impacted by National choices selected under the DCC

Impact on Greenhouse Gas Emissions

In helping to enable the 3rd Energy Package, a principle objective is a move to renewable energy sources which will have a positive impact.

Impact on core industry documents

DCC mainly impacts the Grid Code and Distribution Code

Impact on other industry documents

Potential impact on Distribution Code and Connections Agreements.

Supporting Documentation
Have you attached any supporting documentation? YES If Yes, please provide the title of the attachment: Workgroup Terms of Reference

Recommendation
The Grid Code Review Panel is invited to: **Progress this issue to a Workgroup for further analysis and discussion.**