

European Insights

May 2020

Dear colleague,

In light of the recent Covid-19 restrictions, the All-island (European Network Code) Stakeholder forum expected in Q1 has been postponed. Instead, we introduce this newsletter to share relevant information as we continue to work towards the implementation of the electricity network codes and the new requirements under the Clean Energy Package. We intend to host ad-hoc webinars together with ESB Networks and NIE Networks on specific topics whenever appropriate. We will ensure you receive adequate notice to allow you to participate.

You have received this email as an existing stakeholder. If you wish to stop receiving this email or you have any comments or questions on any of the topics, please get in touch at <u>info@eirgrid.com</u> or <u>info@soni.ltd.uk</u>.

Network Codes and the Clean Energy Package



Market

Electricity Balancing Guideline

The Regulatory Authorities and TSOs are reviewing compliance of local documents and codes with obligations in the Electricity Balancing Guideline (EBGL), including the obligations to have terms and conditions in place. The output of this review may lead to modifications being required to local documents and codes to align with the EU rules. Once completed, more information on this work will be communicated to market participants.

15 min ISP

EU rules under the EBGL and Clean Energy Package will see the harmonisation of the imbalance settlement period (ISP) to 15 minutes unless a derogation or exemption is granted. EirGrid and SONI are working with the Regulatory Authorities to fulfil the obligations. There are many factors to consider including the impact on market and settlement systems, the requirement for more granular metering, the cost to implement the change and benefits that it would provide. A change to the ISP will also impact cross border trading so harmonisation with GB will also be considered.

Approval of the IU Long-Term Capacity Calculation Methodology (LTCCM)

The LTCCM proposes a common and coordinated approach within the Ireland-United Kingdom (IU) Capacity Calculation Region to promote the effective and optimal calculation of long-term cross-zonal capacity as well as providing long-term cross-zonal hedging opportunities for market participants. The IU Regulatory Authorities' Agreement was reached on 8 April 2020. The approval from the Commission for Regulation of Utilities can be found here. The approval from the Utility Regulator can be found here.

Download the LTCCM from the SONI & EirGrid document libraries.

Bidding Zone Review

The all TSOs' proposal for the <u>methodology</u> and assumptions that are to be used in the bidding zone review process was published on 18 February. ACER have an open public <u>consultation</u> until 24 April to gather views from stakeholders to identify improvements to the proposed bidding zone review methodology, assumptions and configurations. The current assumption is to maintain the status quo in the SEM.

Capacity Market Code - Amendments Relating to the Clean Energy Package

The SEM Committee has published an urgent modification <u>consultation paper</u> for amendments to the Capacity Market Code relating to the Clean Energy package – the particular focus of this modification relates to compliance with the emissions limits as set out in Article 22 (4) of the Regulation.

Operations

System Operation Region (SOR)

On 6 January, ENTSO-E submitted the <u>SOR proposal</u> to ACER. ACER published its <u>decision</u> on 6 April 2020. The definition of an Ireland – UK (IU) SOR has been adopted which can be found in <u>Annex 1</u> of the decision.

The next step is for the TSOs of each SOR to submit a proposal for a Regional Coordination Centre (RCC). The RCCs are to begin operation by 1 July 2022. EirGrid and SONI are liaising with National Grid ESO on the development of this proposal.

KORRR

Under Article 40(5) of Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation (SOGL), the TSO is required to co-ordinate with the DSO and Significant Grid Users (SGUs) on the applicability and scope of data exchange. Also, under Article 40(7) each TSO is to reach an agreement with relevant Distribution System Operators (DSOs) on the processes and formats of data exchange between them. The terms and conditions or methodologies for data exchange are subject to approval by the Regulatory Authority under Article 6(4)(b) of SOGL.

On 25 March, the Utility Regulator approved the scope of data exchange between SONI, NIE Networks, and Significant Grid Users. (*This decision is applicable to Northern Ireland only*).

SAOA and LFCBOA- Synchronous and Load Frequency Control Operational Agreements approved

Regulatory Approval of the SAOA and the LFCBOA was granted in a joint decision <u>paper</u> by CRU and UR in November 2019. Subsequently the two agreements have since been adopted by the TSOs and training of control centre staff has been completed, successfully concluding an 18 month work programme.

Regional Operational Security Coordination Methodology

This methodology seeks to coordinate remedial actions for operational security and complements the Redispatch and Countertrading Methodology. EirGrid, SONI and National Grid ESO together developed, consulted upon and submitted the proposal <u>document</u> and <u>explanatory document</u> to the relevant Regulatory Authorities in December 2019.

Emergency and Restoration

In response to prescribed Emergency and Restoration (ER) submissions made by EirGrid, the CRU issued a decision paper which is available to download <u>here</u>.

Similarly, in response to prescribed ER submissions made by SONI, the Utility Regulator issued a decision paper which is available to download <u>here</u>.

Both Regulators have requested that the TSOs conduct a 4 week consultation on the amended proposals prior to resubmission. In response, an online consultation on the amended proposals is scheduled to commence in June 2020.

Connection codes

Grid Code update (Ireland)

The proposed Grid Code Modifications (MPID 276 (b) and (c)) - the incorporation of the Operational Notification and Derogation requirements under Commission Regulation (EU) 2016/63 establishing a network code on Requirements for Generators (RfG) were approved by the CRU on 12 March 2020. Further information on MPID 276 (b) and (c) can be found on the EirGrid <u>website</u>.

As part of the RfG, EirGrid has proposed a modification to the existing Operational Notification Process. The previous Schedule of Tests has been modified and will now form part of the required (RfG) checklist for all participating Generators.

The (RfG) checklist is a list of all tests that each generator must complete to achieve an Operational Certificate. These tests are divided into

- Phase A (up to energisation) Energisation Operational Notification (EON)
- Phase B (up to operational readiness) Interim Operational Notification (ION)
- Phase C Final Operational Notification (FON)

Limited Operational Noficiation (LON) - Generators may apply to receive a LON if it is established that they require remedial works in order to be deemed complaint. These works must be completed within 3 – 12 months.

All line items are listed exhaustively within this Schedule of Tests (RfG checklist) which form the pre-requisites for each Operational Certificate.

Phase C – FON – outlines the main Grid Code Compliance Tests (GCCT) required for each generator.

A modified set of these test template documents have been modified and created for each participating RfG Generator.

Distribution Code update (Ireland)

Version 6 of the Rol Distribution Code has now been approved by CRU and is available on the ESB Networks <u>website</u>. This includes a series of approved non-RfG modifications to the Code over recent times, including a reduction of MW controllability for PPMs, on a partially retrospective basis, through a class derogation.

ESB Networks are acutely aware of the urgency attaching to making the RfG requirements visible to industry. Version 7 of the Distribution Code, which contains these requirements, will be subject to an electronic vote by the Distribution Code Review Panels [DCRP] members in the coming days following the resolution of detailed queries on some content by industry representatives. Subject to a positive vote, it will be put forward by the panel to CRU for approval. The same formatting style to indicate new or changed content as used in the Rol Grid Code has been adopted for ease of reading.

It is envisaged that a Code modification relating to DCC content, will be presented to the DCRP for its next scheduled meeting in June 2020.

Work is also continuing on the implementation of the Operational Notifications process. It is hoped to begin socialisation to industry of these processes in the coming months, including such things as the introduction and use of a Power Generating Module Document [PGMD], as mandated by RfG

Distribution Code update (Northern Ireland)

Following regulatory approval in April 2019, NIE Networks published an updated Distribution Code (issue 5), new Engineering Recommendations EREC G98/NI (Micro-generators up to and including 16A per phase), EREC G99/NI and a new Power Park Module Setting Schedule. These documents incorporate the new requirements detailed in Commission Regulation (EU) 2016/63 establishing a network code on RfG and Commission Regulation (EU) 2016/63 establishing a network code on RfG and Commission Regulation (EU) 2016/1388 establishing a Network Code on Demand Connection.

Since publication NIE Networks has considered a number of amendments and clarifications on various aspects within the documents and is at present drafting modifications which will be presented to the Distribution Code Review Panel prior to going out for an industry consultation in Q2 2020.

More information

- EC Clean Energy Package site
 <u>https://ec.europa.eu/energy/topics/energy-strategy/clean-energy-all-europeans_en</u>
- SEM Committee
 <u>https://www.semcommittee.com/</u>
- ENTSO-E Network codes news
 <u>https://www.entsoe.eu/network_codes/news/</u>
- ACER decisions
 <u>https://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Pages/Individual-decision.aspx</u>
- All NRA decisions
 <u>https://www.ceer.eu/eer_activities/all_regulatory_authority_decisions</u>
- CRU Network code documents
 https://www.cru.ie/document_group/eu-electricity-network-codes/
- Utility Regulator publications
 https://www.uregni.gov.uk/publications