

Network Codes and Guidelines

Status of adoption and next steps

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Key role of guidelines and network codes:

***No common market
without common market rules!***

- *Rules to operate networks and markets on the basis of common principles*
- *Objective: facilitate cross-border trade and reduce transaction costs to the benefit of businesses and consumers*
- *Extensive process including the stakeholders*

Legally binding rules on detailed issues

- *Art. 6, 7 and 8, Gas Regulation (EC) no 715/2009*
Art. 6, 7 and 8, Electricity Regulation (EC) no 714/2009
- *Aim is to address cross-border issues that are potentially hampering trade:*
 - More efficient use of networks
 - More transparency
 - Lower transaction costs
 - More liquid markets
 - More reliable price signaling

Network Codes to be developed in three Policy Areas

1. Technical & Operational Rules
2. Market & Trading Rules
3. Tariff & Investment Rules

Network Codes Process

Timetable

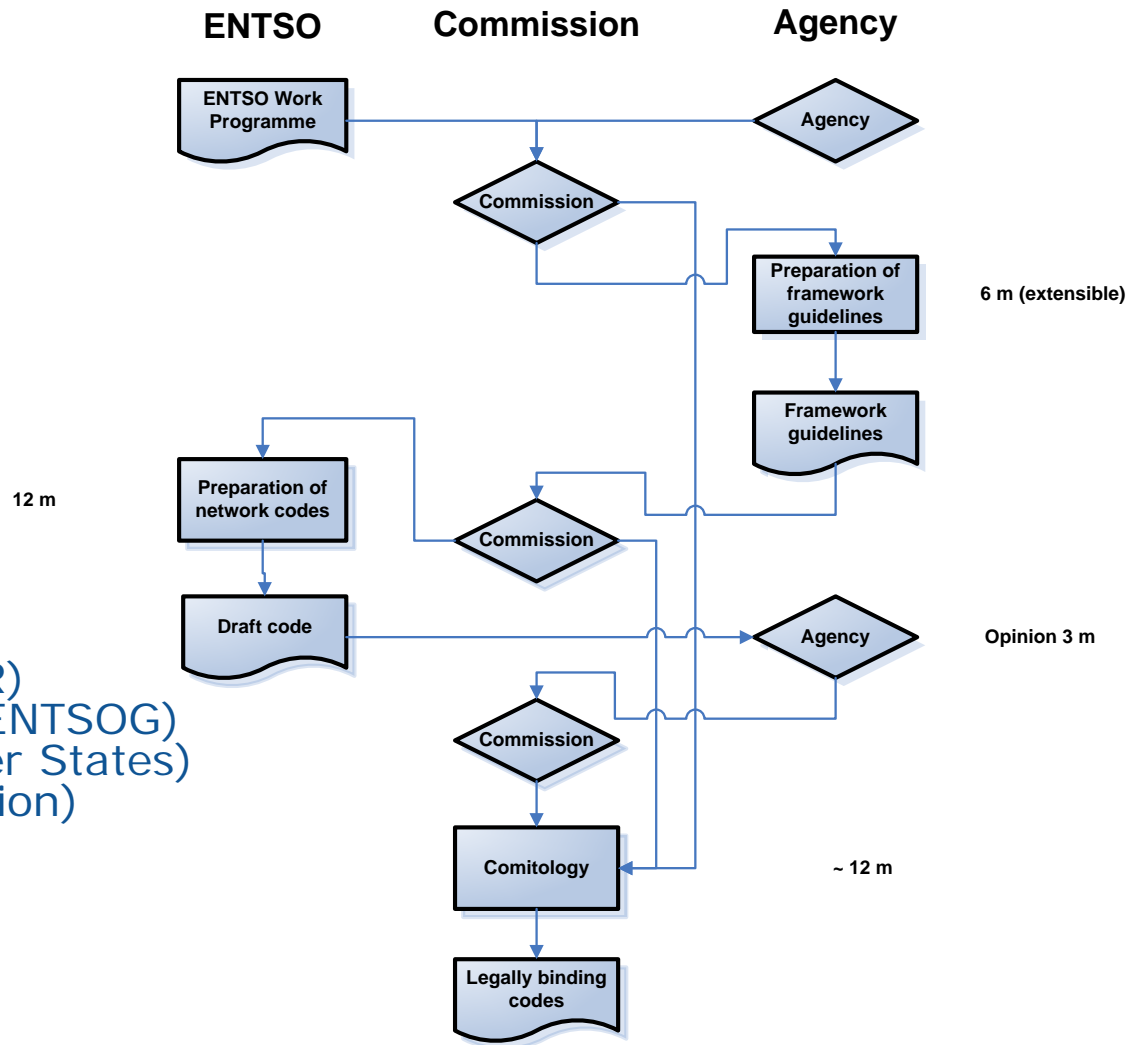
- Takes more than two years
- Priorities set each year

Stakeholder consultation

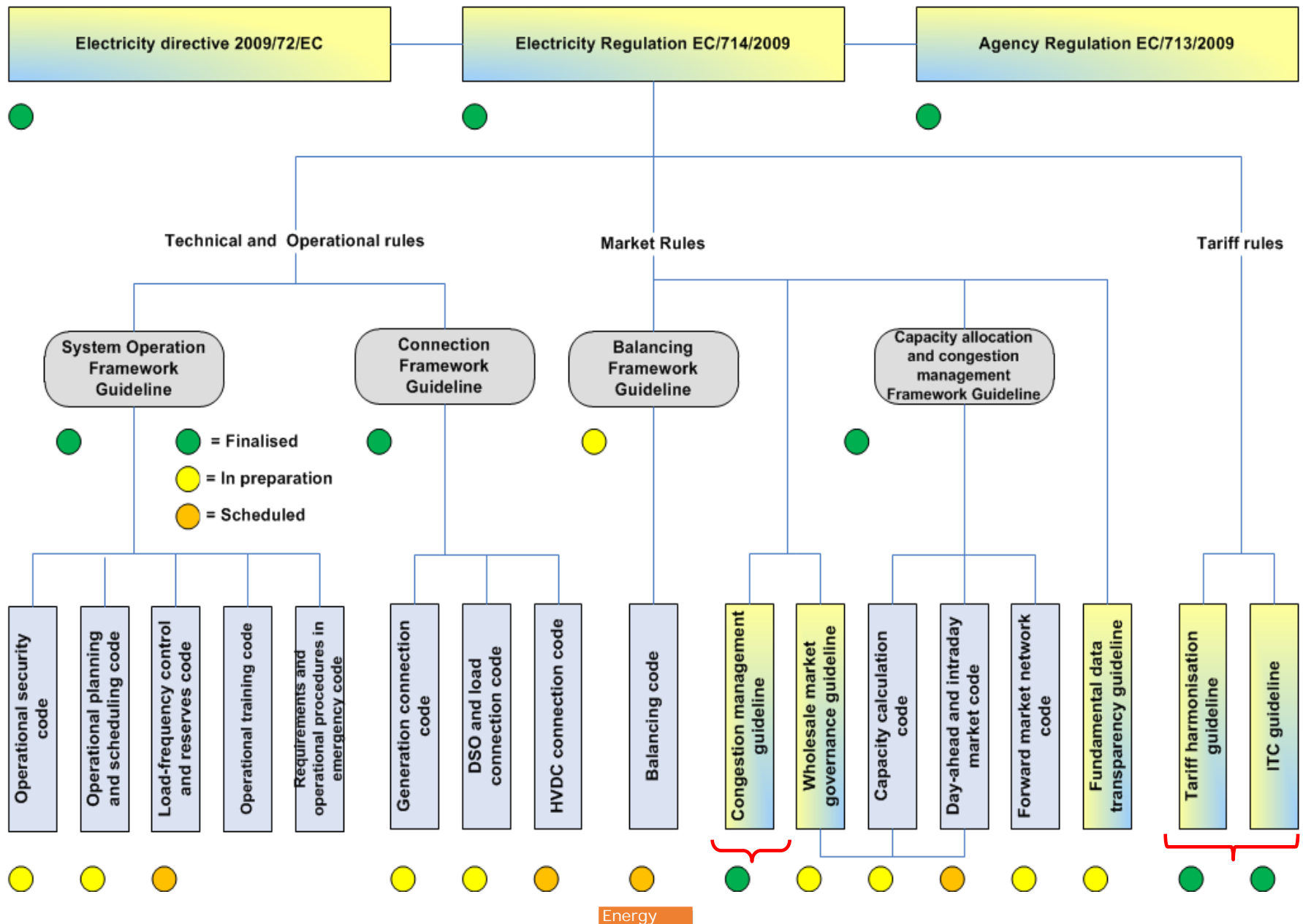
- Priorities
- Acer
- ENTSO-E / ENTSG
- EC (Impact assessment)

Phases

- Priorities
- Scoping
- Framework guideline (ACER)
- Network code (ENTSO-E / ENTSG)
- Comitology (EC and Member States)
- Legally binding act (regulation)



European Electricity Rules



Annex I to Regulation n° 704/2009 (= Annex to Reg n° 1228/2003) (point 5 – transparency - upcoming amendment!)

14.8.2009

EN

Official Journal of the European Union

L 211/29

ANNEX I

GUIDELINES ON THE MANAGEMENT AND ALLOCATION OF AVAILABLE TRANSFER CAPACITY OF INTERCONNECTIONS BETWEEN NATIONAL SYSTEMS

1. General Provisions

- 1.1. Transmission system operators (TSOs) shall endeavour to accept all commercial transactions, including those involving cross-border-trade.
- 1.2. When there is no congestion, there shall be no restriction of access to the interconnection. Where this is usually the case, there need be no permanent general allocation procedure for access to a cross-border transmission service.
- 1.3. Where scheduled commercial transactions are not compatible with secure network operation, the TSOs shall alleviate congestion in compliance with the requirements of network operational security while endeavouring to ensure that any associated costs remain at an economically efficient level. Curative re-dispatching or countertrading shall be envisaged in case lower cost measures cannot be applied.

COMMISSION REGULATION (EU) No 838/2010**of 23 September 2010****on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 ⁽¹⁾, and in particular the first sentence of Article 18 (5) thereof,

the Union whereby they have adopted and are applying Union law in the field of electricity should be entitled to participate in the inter-transmission system compensation Mechanism on an equivalent basis to transmission system operators from Member States.

- (5) It is appropriate to allow transmission system operators in third countries which have not concluded agreements with the Union whereby they have adopted and are applying Union law in the field of electricity to enter into multi-party agreements with the transmission

Upcoming (electricity)

- ***"Transparency guidelines" ➡ link to REMIT !***
- ***"CACM code & Governance guidelines"***
- ***"Generation Connection Code"***
- ***"Demand Connection Code"***
- ***"Operational Security Codes" =>***
 - Operational Security
 - Operational Planning & Scheduling
 - Load-Frequency Contrôle & Reserves

Guidelines and Network codes in the gas sector

L 231/16

EN

Official Journal of the European Union

28.8.2012

COMMISSION DECISION

of 24 August 2012

on amending Annex I to Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks

(Text with EEA relevance)

(2012/490/EU)

Annex I to Regulation (EC) No 715/2009 is amended as follows:

1. point 2.2 is replaced by the following:

2.2. Congestion management procedures in the event of contractual congestion

2.2.1. General Provisions

1. The provisions of point 2.2 shall apply to interconnection points between adjacent entry-exit systems, irrespective of whether they are physical or virtual, between two or more Member States or within the same Member State in so far as the points are subject to booking procedures by users. They may also apply to entry points from and exit points to third countries, subject to the decision of the relevant national regulatory authority. Exit points to end-consumers and distribution networks, entry points from LNG terminals and production facilities, and entry-exit points from and to storage facilities are not subject to the provisions of point 2.2.
2. On the basis of the information published by the transmission system operators pursuant to Section 3 of this Annex and, where appropriate, validated by national regulatory authorities, the Agency shall publish by 1

Upcoming (gas)

- ***Capacity allocation mechanisms***
 - *"Comitology" started in January*
- *Balancing in transmission systems*
- *Interoperability and data exchange -*
 - *Draft ENTSOE NC under public consultation*
 - *Workshop at ECS*
- *Tariffs framework guidelines*

DECISION OF THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY

D/2011/02/MC-EnC: Decision on the implementation of Directive 2009/72/EC, Directive 2009/73/EC, Regulation (EC) No 714/2009 and Regulation (EC) No 715/2009 and amending Articles 11 and 59 of the Energy Community Treaty

Article 28 **Network codes**

1. The Energy Community shall endeavour to apply the network codes developed at European Union level under the acts referred to in Article 1.
2. The relevant network codes shall be adopted by the Permanent High Level Group, following the procedure laid down in Article 79 of the Treaty. Before taking a decision, the Permanent High Level Group shall seek the opinion of the Energy Community Regulatory Board.



PROCEDURAL ACT

No. 01/2012 PHLG-EnC of the Permanent High Level Group of the Energy Community of 21 June 2012 laying down the rules governing the adoption of Guidelines and Network Codes in the Energy Community

Article 3

The Permanent High Level Group

Procedure

- Having regard to the Treaty establishing the Energy Community, in particular Articles 87 and 82 thereof,
- Having regard to Articles 27 and 28 of the Decision of the High Level Group of Experts (EC) No 715/2009 and amended by the Permanent High Level Group of Experts on Article 79 of the Treaty,
- Following up on the task assigned to it in paragraph 28(3) of Decision D/2011/02/MC
- (1) The Presidency and the Vice-Presidencies shall include the European Commission's proposal on the adoption of Guidelines or Network Codes in the agenda of the next possible meeting of the Permanent High Level Group. The text of the proposal shall be circulated by the Secretariat to all members at least 30 days before the relevant meeting.
 - (2) If the next possible meeting of the Permanent High Level Group is to take place later than two months following the receipt of the above-mentioned proposal of the European Commission by the Secretariat, or later than three months, where it concerns the adoption of Network Codes, the Presidency, after consultation and in agreement with the Vice-Presidencies, may opt for decision-making by correspondence in line with the Rules of Procedure of the Permanent High Level Group.
 - (3) Where the European Commission's proposal concerns the adoption of Network Codes, the Secretariat shall forward it to the President of the Regulatory Board and request the opinion of this institution within an appropriate timeframe not exceeding 30 days. The President of the Regulatory Board shall transmit its opinion officially to the Secretariat, who shall notify it to the members of the Permanent High Level Group without delay. Where the Regulatory Board fails to submit an opinion within the specified timeframe, the Permanent High Level Group shall proceed without such opinion.

Thank you for your attention!

