

# Implementation of electricity network codes in the Energy Community

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Hotel K&K | Rudolfsplatz 11, 1010 Vienna, Austria

25 April 2017 | 9:00-12:30

## Meeting Summary

Meeting agenda and presentations available at: [https://www.energy-community.org/portal/page/portal/ENC\\_HOME/CALENDAR/Other\\_Meetings/2017/25\\_Apr](https://www.energy-community.org/portal/page/portal/ENC_HOME/CALENDAR/Other_Meetings/2017/25_Apr)

### WELCOME ADDRESS

Mr. Buschle, Deputy Director of the Energy Community Secretariat ('Secretariat'), welcomed the participants and highlighted the importance of implementation of the electricity network codes (NCs) and guidelines (GLs) for developing liquid wholesale markets. He noted that the integration of NCs/GLs in the legal framework of the Energy Community (EnC) remains an important step towards implementation of the 3rd energy package and integration into a single pan-European market. Mr. Buschle invited transmission system operators (TSOs) and regulators of Contracting Parties (CP) to support and take ownership in the process of adaptation and future implementation.

#### 1. Introduction: concept for implementation of electricity network codes in the Energy Community

*Reference: slides published*

The Secretariat introduced a concept for implementation of the electricity NCs and GLs in the Energy Community building on the following key pillars (*for details see presentation*):

- Implementation of *all* electricity NCs/GLs *in their entirety*, i.e. no omission of specific provisions.
- Establishment of a working group of TSOs and regulators for discussion of necessary adaptations of the electricity NCs/GLs. Target of working group discussions will be agreement on final adapted versions to be tabled for PHLG adoption.
- Secretariat to prepare adapted versions of the electricity NCs/GLs for review by and discussion of the working group. Adaptations (on content and/or as regards implementation deadlines) will aim at meeting specific requirements of CPs and, thus, shall support feasibility of NC/GL implementation. At the same time, adaptations shall be kept as minimal as possible, at best limited to standard adaptations used for implementation of EU legal acts in the Energy Community *acquis communautaire* (i.e. replacement Member States by CPs; Commission by Secretariat etc.).
- Success of the process relies on the input from Contracting Parties and in particular from the TSOs, so thorough discussions on the content and implementation deadlines will be key.

The Secretariat also noted the intention to start discussions with those NCs/GLs that do not require reciprocal application between EU Member States and CPs, i.e. the connection codes (RfG, DC, HVDC) and continue with discussion on market codes (CACM, FCA) and system operation. NCs/GLs not yet adopted on EU level will be included in discussions once adopted on EU level.

## **2. Introduction to Connection Network Codes**

*Reference: slides published*

The Secretariat presented an introduction the areas covered by connection NCs, namely the NCs on RfG, DC and HVDC (*for details see presentation*). The first NC to be discussed in depth with the working group will be the RfG NC followed by the DC NC and HVDC NC.

## **3. Introduction to Market Network Codes**

*Reference: slides published*

The Secretariat presented the areas covered by the electricity market NCs. It is recognized that during the discussions and adaptation the issue of reciprocity will have to be dealt and the way forward to be clarified. The first two codes that will be put forward for discussion are Capacity Allocation and Congestion Management (CACM) and Forward Capacity Allocation (FCA) with Balancing (BAL) code to come at a later stage.

## **4. Network Code Requirements for Generators**

*Reference: slides published; adapted RfG NC*

The Secretariat presented the details and main requirements of the RfG NC. It noted that most of the requirements are non-exhaustive meaning that a lot of parameters will need to be specified at national level (*for details see presentation*). The Secretariat does not foresee any reciprocity issue with adaptation and implementation of this NC and therefore invited participants to provide comments on the adapted text provided by the Secretariat prior to the meeting (*ref. adapted RfG NC*).

The Secretariat explained the adaptations made to the RfG NC that are limited to standard adaptations used for implementation of EU legal acts in the Energy Community *acquis communautaire* (i.e. replacement Member States by CPs; Commission by Secretariat etc.). Detailed discussions of the RfG NC have been postponed to the next meeting.

## **5. General discussion and conclusion**

Participants welcomed the discussion and stressed the importance of implementation of NCs/GLs in the Contracting Parties. The participants supported the initiative by the Secretariat and agreed on the concept pillars (*cf point (1)*).

Participants raised the issue of governance and the need to ensure comprehensive participation from the relevant stakeholders, having in mind that meaningful content related input to the individual (groups of – ref. connection / system operation / market) NCs / GLs might require involvement of different representatives.

- The Secretariat offered to circulate a related governance proposal by 5 May 2017 to the participants.
- TSOs and regulators of the CPs are invited to provide comments on the governance proposal and nominate representatives by 12 May 2017. Nominations can be the same or different for individual (groups of – ref. connection codes / market codes / system operation codes) NCs/GLs. Nominees shall be equipped with a clear mandate to provide formal positions for the authority they are representing and, thus, coordinate their inputs within the authority they represent. In case individual participants should not submit feedback by 12 May 2017 to the Secretariat, the Secretariat will assume nomination of the participants of the meeting of 25 April 2017.
- Nominations of PXs/NEMOs/market operators will be collected subject to the need to involve these parties for individual NCs/GLs (mainly market codes).
- The participants invited the Secretariat to informally discuss the adapted NC/GL versions with DG ENER, ENTSO-E and ACER and, where requirements for reciprocal implementation of NCs/GLs on EU-CP interfaces should be identified, coordinate involvement of stakeholders of the neighboring EU countries.

To the extent requirements for reciprocal implementation of NCs/GLs on EU-CP interfaces should be identified, participants concluded to first agree on a NC/GL adaptation proposal between CP representatives and, in a second step, present it to EU partners for discussion.

The next meeting will take place on 31 May 2017 morning in Athens, back to back to the Athens Forum. The Secretariat will circulate a formal invitation based on the nominations received by 12 May 2017 (see above). The meeting will focus on detailed discussions of the RfG and DC NC; adapted versions will be circulated by the Secretariat prior to the meeting.

List of participants

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