



Brussels, 29 August 2014

Response to Public Consultation on

## **ENTSO-E Work Programme 2014 through December 2015**

*(Draft as of 1 July 2014 approved for consultation)*

The European associations representing the DSOs actively collaborate with ENTSO-E on a number of activities, such as research, development and innovation, and the drafting of network codes. This chance to comment on the ENTSO-E 2015 work programme is, therefore, a welcome opportunity to further develop our current cooperation, as well as to raise some particular concerns on DSO-TSO cooperation.

The following remarks focus on the topics related to Network Codes (points 4 and partly 9 of the Work Programme), Research and Development Activities (point 5), notably standardisation and TSO-DSO cooperation.

### **Network codes**

We do not see any inconsistencies between ENTSO-E's activities regarding the network codes and the Commission's priority list 2015, and these activities are also in line with ACER's work programme 2015.

Regarding network code development, we acknowledge that over the past years, the drafting process has gradually improved, resulting in a good working climate and cooperation between the ENTSO-E drafting teams and DSO experts. Still, there is a need to further improve the process for drafting high quality codes and better integrating stakeholder considerations. Specifically, when initiating a new code, we encourage ENTSO-E to:

- Ensure the consistency of the new draft codes with previous codes (e.g. use of similar definitions, no overlaps or contradictions, etc.).

- Allow a reasonable amount of time for stakeholders to read and analyse the code before stakeholder workshops are held.
- Perform cost benefit analyses for all new requirements having a significant impact on Distribution System Operators (DSOs) and grid users; this analysis being fundamental it should be performed during the drafting phase of the codes.
- Organise discussions and exchange views on key stakeholder concerns when modifications to the code are still possible (e.g. before approval by the ENTSO-E board of directors).

With regards to the codes approval, we can only confirm the uncertainties regarding timing, all depends on the outcome of the Comitology process. More clarity (and transparency) in the Comitology process would be very useful for stakeholders, but it is in our opinion absolutely needed for ENTSO-E to have a solid and coherent work programme. ENTSO-E should therefore ask more explicitly for urgent input on these matters from the Commission.

We agree with ENTSO-E's focus on the network codes implementation in 2015, since it is to be expected that several network codes will enter into force that year. Regarding the implementation ENTSO-E states that it will require significant volumes of TSO resources. We would like to add that this is equally true for DSOs (and probably for other stakeholders), since they are also heavily impacted, especially by the implementation of the network codes on requirements for generators and on demand connection.

We welcome ENTSO-E's intention of sharing information on national implementations. The DSO organisations support ENTSO-E's idea on establishing a formalised structure to discuss issues relating to network codes development and implementation. Where 'permanent stakeholder forum' is mentioned in the draft programme, we suppose ENTSO-E is referring to the Stakeholders Committees, as described and proposed by the Commission in the latest versions of the network codes on requirements for generators and on demand connection.

The number of Committees is still to be determined, but should be restricted to a few, since this structure needs to be flexible and easily manageable.

We think it is important to put this structure of 'Stakeholder Committees' in place as soon as possible to shorten the learning curve for the involved stakeholders once the regulation enters into force and support the early implementations of (parts of) the network codes.

### **Standardisation**

The associations recognise the importance of ENTSO-E's work regarding standardisation and in particular the link with the network codes.

We would like ENTSO-E to inform stakeholders in a transparent way on a regular basis (or via a dedicated section on its website) of the developments of the common work with CEN/CENELEC on standards regarding the requirements in the network codes.

## **TSO-DSO cooperation**

TSO-DSO cooperation is not directly addressed in the work programme, however we believe that several topics call for further cooperation and joint discussions. We agree with ENTSO-E that the integration of variable renewable energy sources (RES) is a key challenge for grid operators and that smart grids will be essential to delivering a high-quality energy supply to consumers. As stressed on page 29, the new 2030 climate and energy framework will impact network planning, network operation and will require great efforts from all network operators.

In spite of this shared understanding of network operators' challenges, "smart grids" are referred to without mentioning of DSOs. Likewise, RES integration is highlighted without mentioning that the vast majority of new generators are being connected at distribution level. Furthermore, the work programme stresses the need to increase the "observability of generators" (page 19). While DSOs associations support this statement, there are concerns with TSOs seeking direct visibility of all generators, including those connected to distribution networks. We believe that all data from consumers or generators connected to distribution networks should be gathered and managed by the DSOs who, in turn, should provide the TSO with all the data needed to operate the transmission grid.

In a similar way, the creation of a Continental Europe dynamic model (page 17) should directly involve DSOs. One of the main objectives of developing such a model is to study the impact of distributed energy generation (DG) on the dynamic behaviour of the European power system. As DGs are connected to distribution networks, and as data from both DGs and distribution network operators is needed to develop the European model and perform different studies, DSOs should be involved in such an approach.

In particular, ENTSO-E should:

- assess the assumptions made with DSOs;
- share with stakeholders the results of the study as it will affect them (DSOs for automatic load shedding, DSOs and generators for interface protection, etc.).

Strong cooperation between all grid operators: TSOs and DSOs - is the only way to modernise Europe's grids in a cost-efficient way, while maintaining quality of service and security of supply to all customers. DSO-TSO boundaries, direct monitoring and control of grid users on DSO networks are on-going issues of contention in the drafted network codes and it is quite urgent that these be resolved. Therefore, a specific work item related to coordination between TSOs and DSOs should be added to the work programme.