

Response ID ANON-JBU7-6GQQ-Q

Submitted to DSO Entity & ENTSO-E Public consultation on Network Code for Demand Response
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Introduction

1 What is your name?

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3 What is your organisation?

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No

Reason for the request of confidentiality:

Whereas

7 Your views on the "Whereas" section:

Your comment on the section::

Whereas (b):

This draft regulation is setting obligations on all grid users, as per the "grid user" definition below, and not only on demand users. It is misleading to use the title "Network Code on Demand Response" and the current scope description throughout the text when this document is clearly setting obligations for generators' response as well on a variety of operations such as congestion management, balancing, voltage control. Keeping this approach is unjustifiable and will create large issues with the implementation of the regulation in the different Member States.

Your text proposal: :

Article 1

8 Your views on Article 1:

Your comment on the article::

Our general comment on the current draft is that it does not fulfil the purpose of a Network Code. A Network Code text is expected to detail the implementation of higher level EU regulations and support the relevant authorities and TSOs and DSOs in the technical implementation of the higher level regulations targeting as much harmonization as possible. In our response we give some examples throughout the text to justify this comment. As part of the Drafting Committee we will work with the rest of stakeholders to improve this. However we would like to bring special attention to the fact that a Network Code that stays at such high level, uses so many vaguely defined terms, and leaves so much flexibility for customization of the implementation at national level, is a useless document that does not justify the resources spent by the participating organizations.

Firstly, as commented before, the name of this draft NC is misleading regarding the topics on which it is setting obligations. The current text is setting

obligations on all grid users including response by generation on various operational and market frameworks. It is also setting obligations on topics that go beyond demand response. For instance the obligations on distribution network development plans do not only cover flexibility/demand response needs but in general distribution network development. The name and the scope of the Code needs to be revised to reflect its content and to maximize efficiency in its implementation.

Secondly, this text here in the subject matter should already indicate which users this will impact. Only in Article 3 it is mentioned that this is applicable for not only demand response but also distributed generation. The name and subject matter are leading to confusion for understanding the scope and applicability for the generators. This applicability needs to be well mentioned and aligned throughout the text.

Your text proposal: :

Article 4

11 Your views on Article 4:

Your comment on the article::

Art. 4 (1) (a): Again here, to clarify that this is applicable for all grid users is very important. Moreover, flexibility should also be added here as subject matter.

Your text proposal: :

Article 5

12 Your views on Article 5:

Your comment on the article::

Art. 5 (1):

- What are these national terms and conditions documents? Will this be similar to an Implementation Guidance Document (IGD)?
- Are these documents legally binding?
- There is no purpose of having a Network Code which doesn't enlist any details and leaves everything on national translations. This defeats the purpose of an EU Network Code and leads to further national level variations instead of EU level harmonization.

Your text proposal: :

Article 9

16 Your views on Article 9:

Your comment on the article::

Art. 9 (1): A Network Code should be strongly driving harmonization and not addressing this as an adhoc need. This is crucial for a resilient supply chain in terms of grid integration equipment and software.

Your text proposal: :

Article 13

20 Your views on Article 13:

Your comment on the article::

Art. 13 (1): Four weeks is too short of a consultation period for a document that is supposed to contain all the details that were meant to be in this network code.

Your text proposal: :

Article 22

29 Your views on Article 22:

Your comment on the article::

This Network Code is focused on aggregator models that enable the trade of flexibility from their consumers'/prosumers' assets in different existing or "in the making" electricity markets (day-ahead, intra day, power reserves, congestion management).

An aggregator could also use demand response for internal balancing of his portfolio in order to minimize individual imbalances. Should Aggregators be incentivized to balance their portfolio internally when the portfolio consists of consumers, distributed generation and storage?

Why/When is this relevant?

If, in the future, an aggregator's flexibility portfolio consists of assets that are consuming, storing and generating energy. Each asset can provide different means of flexibility individually, but they can also be optimized locally, provided economic incentives for doing so.

- If consumers/prosumers are able to produce their own electricity, it might influence their electricity consumption, patterns.
- RES might have a greater impact on flexibility especially when coupled with BESS since this combination enables RES generation to be stored in the BESS and to be used at a later moment.

The aggregator can adjust electricity consumption within their portfolio, based on recent generation and storage information close to real-time. This internal balancing can reduce the Aggregator's cost for imbalances in the larger system. However, the financial remuneration/cost in article 22 does not seem to include this case.

Your text proposal: :

Article 47

54 Your views on Article 47:

Your comment on the article::

Art. 47 (1): How is the suggested text for this article supporting the technical implementation of Art. 32 EU2019/944? It does not provide any helpful guidance.

Art. 47 (2): The principles of choosing the most effective and economically efficient options should be transparent, coordinated, consulted with relevant stakeholders during at least 8 weeks and be approved by the national regulator.

Art. 47 (3): How is this text adding guidance compared to what is set in Article 13 of the Electricity Regulation? Instead of facilitating the implementation of non-market based re-dispatching which can be applied only as exception, this NC should rather provide adequate technical guidance on how to stick with the market based Electricity Regulation provision and avoid exceptions by TSOs and DSOs.

Art. 47 (4): Electricity Regulation is also relevant concerning the non-market option, apart from the Electricity Directive. Electricity Regulation mandates remuneration also for non-market based mechanisms (Article 13.7). This is not addressed here. In any case, these services should be procured only through markets.

This Network Code should provide an exhaustive list of criteria to be considered for decisions of which option will be selected, rather than this vague provision about "economic efficiency" or "market distortion".

Your text proposal: :

Art. 47 (2): The principles of choosing the most effective and economically efficient options should be transparent, coordinated, consulted with relevant stakeholders during at least 8 weeks and be approved by the national regulator.

Article 48

55 Your views on Article 48:

Your comment on the article::

Art. 48 (14):

- Non-market based options must not be considered, and all alternatives should be market-based.

In case an exception can be considered, this NC should provide an exhaustive list of criteria that should be considered rather than leaving this to national/TSO/DSO interpretation which will surely lead to EU internal market distortions and not level playing field for grid users connected in different countries or systems.

- Will this assessment of whether to choose market or non-market option done by the system operator part of the assessment proposed to be submitted to the regulator in point 1 of this article?

Your text proposal: :

Article 49

56 Your views on Article 49:

Your comment on the article::

Art. 49 (4) (a) The text states that pricing mechanism for market-based procurement of congestion management and voltage control services shall allow for variations depending on different products , voltage levels etc. Through which assessment and documentation will these variations be decided and how will these varied prices be determined?

Art. 49 (4) (c) Text also states that pricing mechanism shall allow for energy-only payments and/or capacity payments, subject to assessment of economic

efficiency. The NC should be at least listing the criteria to be assessed for the economic efficiency and should be describing which authorities are responsible for the assessment and the approval of the assessment.

Art. 49 (7): Text states that when congestion management and voltage control services are procured in long-term, day-ahead, intraday or balancing markets, the pricing mechanism may be different from the general pricing mechanism in the day-ahead, intraday or balancing markets. Who will decide this mechanism and where will this be communicated?

Your text proposal :

Article 50

57 Your views on Article 1:

Your comment on the article::

Art. 50 (1) (c) : Is the mentioned "best techno-economic option" selected by the system operator or the regulator ?

Art. 50 (3): The NC is the text supposed to detail these "certain conditions" where systems operators have been seemingly excused from committing themselves to accept the offered services. This text calls for alignment with text in Article 47, but Article 47 is not adequately explaining the criteria for such decision. It practically just says that the SO may assess and decide.

Your text proposal :

Article 51

58 Your views on Article 51:

Your comment on the article::

- These agreements are part of the ongoing EMD negotiations. The discussed text in the EMD reform suggests parameters that need to be defined. The NC is the document that should be providing EU guidance on how these parameters should be such as definition of set points, definitions of flexible capacity per asset, principles for prioritization of assets to be curtailed within the flexible range, potential interaction with other services and other. The text suggested here does not bring any additional implementation value compared to the text in the current version of the Electricity Regulation or the one discussed as part of the negotiations.

- On mentioned themes such as those mentioned in 2 (b) and 2 (c) of this article i.e., conditions for systems operators to choose non-firm connection agreement, and the interaction between the two options of non-firm agreements and voltage and congestion management services, this NC is the EU guidance on how to do this. All this guidance is missing from the current draft.

Your text proposal :

Article 52

59 Your views on Article 52:

Your comment on the article::

Art. 52 (1): Based on the EMD reform, System Operator will have obligation to publish information about available grid capacity for new connections. Shouldn't this obligation be specified with details here?

Art. 52 (2) (a): Granularity also should be specified here.

2 (b): Not clear what impact factor means as it is not defined anywhere.

Art. 52 (3): Is all relevant information published publicly or only available on request?

Art. 52 (4) (a): Text mentions that systems operators shall publish the characteristics of products for congestion management and voltage control services. Where will these be published: in National T&C or only the System Operator website?

Art. 52 (5): Appreciate. But it is also important to have data published on available grid capacity.

Art. 52 (8) The regulatory national authority must mandate system operators to publish the information referred to in this Article on a single platform on national level.

Your text proposal :

Art. 52 (8) The regulatory national authority must mandate system operators to publish the information referred to in this Article on a single platform on national level.

Article 54

61 Your views on Article 54:

Your comment on the article::

Art. 54 (2) (c): What does "the relation between the procuring systems operators and service providers" mean and how will this be communicated?

Your text proposal: :

Article 58

65 Your views on Article 58:

Your comment on the article::

Art. 58 (1): Stakeholders should be able to participate in this discussion of defining the common list of attributes of congestion management products.

Your text proposal: :

Article 61

68 Your views on Article 61:

Your comment on the article::

Your text proposal: :

Art. 61 (1): In Member States where it is decided that NRA can grant derogations for systems operators to develop, own, operate or maintain storages, systems operators can proceed to "suggest as part of their Network Development Plan" a solution that relies on systems operators development, ownership, operations, or maintenance of storage if the following conditions are met:

Article 64

71 Your views on Article 64:

Your comment on the article::

Art. 64 (1): This information should also include region wise available grid capacity.

Your text proposal: :

Article 65

72 Your views on Article 65:

Your comment on the article::

Art. 65 (2) (g): What are these limitations to be considered to connect new generation or demand units? Would appreciate some more explanation.

Your text proposal: :

Article 67

74 Your views on Article 67:

Your comment on the article::

Art. 67 (1) (b): If this is a description on how the cost-effectiveness of congestion management and voltage control services is evaluated, where will the details be published? Will it be a part of the aforementioned assessment submitted from System operator to energy regulator?

Your text proposal: :

Article 68

75 Your views on Article 68:

Your comment on the article::

Your text proposal: :

3. The consultation process shall last for a period of not less than eight weeks.

Article 81

88 Your views on Article 81:

Your comment on the article::

Art. 81 (1): Systems operators are required to manage reactive power flows and keep the voltage within operational limits in their grid area. Where are these operational limits specified?

Art. 81 (3) (a): Market based procurement must be the only option for voltage control services with use of reactive power.

Your text proposal: :