

Energy UK's response to ACER's call for comments on the Network Code on Emergency and Restoration

29 April 2015

About Energy UK

Energy UK is the Trade Association for the energy industry. Energy UK has over 80 companies as members that together cover the broad range of energy providers and suppliers and include companies of all sizes working in all forms of gas and electricity supply and energy networks. Energy UK members generate more than 90% of UK electricity, provide light and heat to some 26 million homes and last year invested over £11 billion in the British economy.

Areas of concern

Energy UK welcomes the opportunity to express our views on the Network Code on Emergency and Restoration, submitted to ENTSO-E by ACER on 31st March 2015. .

Our response shall be read in conjunction with the comments made by Eurelectric that Energy UK broadly supports and in the elaboration of which we were actively involved. In particular the issues highlighted in the "General Comments" part of the attached document correspond to the matters which are widely shared by GB stakeholders.

However, we would like to underline a number of specific concerns related to Chapter 4 (market interactions). Just like Eurelectric, we support the view that the Network Codes (NC)/ Guidelines shall contain clear and unambiguous rules for market suspension.

1. NC ER- a hybrid code?

Nevertheless, we are still doubtful whether the NC ER- which belongs to the family of operational network codes is an appropriate place to house those type of market related rules. In that respect, we would like ACER to (re)consider placing this chapter in one of the market Network Codes (NC)/ Guidelines- at least for the following reasons:

- 1) In general markets- if properly designed- do not cause problems for TSOs but system problems can easily disrupt markets and expose various market participants to important risks;

- 2) There is also the question of the NC/ Guidelines sequence in which they are developed and will enter into force. Can the CACM/FCA or EB be suspended if the NC ER is not yet in force? How the governance of a hybrid market-operational Network Code would look like?

2. Market suspended only when absolutely necessary

In addition to the above, we are also strongly convinced that the market should be suspended only when **absolutely necessary** and without too much discretion being left to TSOs in deciding on when to suspend the market.

As currently drafted Article 33(1) and Article 34 appear to give considerable discretion to TSOs as to when markets are suspended as they entitle TSOs to suspend markets, but does not require it.

With that in mind, in our opinion, the suggested wording for Article 34 (2)-(4) better reflects the exceptional character of the market suspension.

2. The rules and conditions for suspension of market activities shall ~~cover at least the~~ be consistent with a force majeure or an emergency situation referred to in Article 16(2) of Regulation (EC) No 714/2009, where the TSO shall act in an expeditious manner and redispatching or countertrading is not possible. A further condition is where the prolongation of market activities would worsen, the conditions of the Transmission System being in an Emergency State.

3. The rules and conditions for restoration of market activities shall cover at least the situations where the restoration of market activities would not exacerbate, the conditions of the Transmission System being restored.

4. When defining the rules and conditions for suspension of market activities, each TSO shall consider ~~at least~~ the following parameters:

- a) a percentage of load disconnection in the LFC area of the TSO;
- b) a percentage of generation disconnection in the LFC area of the TSO;
- c) a significant part of the LFC area in desynchronised operation with the rest of the LFC area of the TSO;
- d) the reduction to zero of Cross Zonal Capacity on a Bidding Zone Border(s)
- e) a percentage of affected entities referred to in Article 33(5) not able to execute their market for reason(s) out of their control; and
- f) the absence of the proper functioning of tools and communication means necessary for TSOs to facilitate market activities.

We trust that our additional explanation and comments will prove helpful to inform ACER's evaluation of the NC ER. We would be happy to discuss any of the points raised in our response in more detail, should you find it useful.

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