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Markets & Balancing
Development Manager

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www.nationalgrid.com

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Dear Sir

Role of stakeholders in the implementation of network codes and related guidelines, and in particular the establishment of European Stakeholder Committees for network code implementation

Thank you for the opportunity to provide our views on the joint ACER and ENTSO-E consultation on the “Role of stakeholders in the implementation of network codes and related guidelines, and in particular the establishment of European Stakeholder Committees for network code implementation”. This response is provided on behalf of National Grid Electricity Transmission plc (NGET) and is not confidential. NGET owns and operates the high voltage electricity transmission system in England and Wales and, as National Electricity Transmission System Operator for Great Britain, also operates the Scottish and offshore high voltage transmission systems. NGET is a member of ENTSO-E.

We support open and transparent engagement with all stakeholders on the implementation of network codes at appropriate stages in the process, and agree that timely stakeholder engagement is important to the successful delivery of the network code implementation programme. In particular we support the use of forums for additional stakeholder engagement beyond that mandated in the network codes, and are already using and expanding such forums in Great Britain.

We support at a principle level the proposal for additional stakeholder engagement outlined by ACER and ENTSO-E in the consultation document. However, we are concerned that some of the details proposed, and the lack of other details, have the potential to cause detrimental impact to the successful delivery of the network code implementation programme. There are two areas our response will focus on: firstly, concerns relating to the scope and role of the European Stakeholder Committees; and secondly, we propose details of how the European Stakeholder Committees could operate.

Scope and role of the European Stakeholder Committees

The European Stakeholder Committees as proposed are to enable the sharing of views on network code implementation and to monitor progress in the network code implementation at local, regional and pan-European level. It is important to remember that the network codes place obligations on different parties (ACER, ENTSO-E, NRAs, NEMOs, TSOs, DSOs and other stakeholders) – we consider it important that the European Stakeholder Committees can input views and insights on issues relevant to network code implementation, but they should not be able to adversely affect the ability of the aforementioned parties in discharging their legal obligations under the network codes. In particular, if the European Stakeholder Committees have a role in ‘proposing expert groups’ and in ‘defining responsibilities to ensure clear leadership’ this could be viewed as granting power to the European Stakeholder Committees instead of the directly affected parties, which could risk the successful and timely implementation of the network codes by those with the legal obligation.

NGET propose that the European Stakeholder Committees should have a monitoring role, and be able to provide advice and share best practice on implementation issues; however it should be explicitly stated that ACER, ENTSO-E, NRAs, NEMOs, DSOs, TSOs, etc. would not be bound by that advice. We propose that each European Stakeholder Committee should be responsible for monitoring the implementation of European Network Codes against a plan developed by the obligated parties, which has been developed with appropriate input, views and sharing of best practice from others.

Many countries, including Great Britain, have established forums for the engagement with stakeholders on many aspects of the electricity industry, including for network codes. There is a need to ensure strong liaison between the proposed European Stakeholder Committees and those nationally-established stakeholder forums, so that that work is not duplicated at a pan-European level when it is already being covered by a broader range of stakeholders and forums at the national level.

NGET propose that the European Stakeholder Committees should monitor local, regional and pan-European implementation; however, they should interface with national and regional forums to avoid duplication of work with those forums

The consultation document provides a role for the European Stakeholder Committees in the network code amendment process. We are keen to avoid the perception that the European Stakeholder Committees have a 'privileged position' in the amendment process, and to ensure the amendment process is transparent and open equally to all stakeholders.

NGET propose that further consideration be given to the process for timely and appropriate consideration of network code amendments, reflecting the technical nature of the network codes, the need for the broadest stakeholder engagement and establishing an advisory role for the European Stakeholder Committees in the process.

Proposals for the operations of the European Stakeholder Committees

The consultation seeks views on the structure and composition of the European Stakeholder Committees. NGET has experience of operating similar forums in Great Britain and our proposals in this section build upon the experience we have gained in engaging proactively with our customers and stakeholders on network codes and other topics.

We are keen to avoid the risk that some areas of the industry, or some countries and regions, are not adequately represented in discussions at European Stakeholder Committees. We are concerned that using existing European trade organisations may not adequately capture the full range of views held by all sectors of the industry, member states, regions, markets or synchronous areas. There is a view of some GB Stakeholders, formed during the Code development process, that some GB specific concerns cannot be adequately represented by one organisation representing parties across multiple member states.

NGET propose that the membership of the European Stakeholder Committees be established to ensure that appropriate representation is provided from all industry sectors, member states, regions, markets and synchronous areas, including consumer organisations, rather than being based solely on existing European trade organisations. Our experience in similar fora in GB, suggests that the membership of the European Stakeholder Committee should be open to all interested stakeholders, with a proactive approach to encouraging broad stakeholder engagement.

It is important that the outputs and function of the European Stakeholder Committees are well defined. We are keen to avoid the situation where the three European Stakeholder Committees diverge significantly in their approach, or extend their remit beyond what is envisaged.

NGET propose that the terms of reference for the groups should be specified so that they avoid ambiguity, and focus on outputs and functions. This approach allows for flexibility in the operation of each Committee but ensures they remain focused on their role and delivering their outputs. We also propose that the outputs of each European Stakeholder Committee should include a headline report summarising the key themes discussed, an

action log, and a log of any issues raised by stakeholders that may require further investigation. All documents and presentations from the meetings should be published, along with the attendee lists, shortly after each meeting to an open page on the internet.

With little information about how the European Stakeholder Committees will operate, or when and where they will meet, there remains a concern that further onerous requirements may be placed on stakeholders and subject-matter experts to support these European Stakeholder Committees. Particularly for the experts, this could stretch the available resources and may lead to a failure to meet legal obligations under the network codes. We wish to ensure that the workload burden on experts is proportionate.

NGET proposes holding meetings of the European Stakeholder Committees with facilities for webinar, teleconference or videoconference to reduce travel for parties. Consideration could also be given to timetabling meeting so that they are on the same or consecutive days to other stakeholder meetings, again to reduce the travel burden. We also propose that consideration should be given to how the burden on subject-matter experts can be managed, for example, using the ENTSO-E secretariat to report on behalf of TSOs, seeking questions to be submitted in advance so that responses can be provided by the relevant subject-matter expert, and when establishing the schedule for topics to be discussed at each meeting, considering the potential burden on all parties.

If you have any question regarding this response, please contact [REDACTED]

Yours faithfully,

[REDACTED]
Markets and Balancing Development Manager
National Grid