



Amendments to the DCC and RfG Network Codes

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IFIEC Europe

– representing interests of all energy intensive industrial sectors -
IFIEC Europe represents industrial energy users for whom energy is a key factor of global competitiveness.



- Non profit organisation, established in 1989
- Premises in Brussels
- Representing 12 national industrial European associations.

Active stakeholder in the european energy market and climate debate, e.g.:

- Florence Electricity Forum
- Madrid Regulatory Gas Forum
- Gas Coordination Group
- Gas Advisory Council EU – Russia
- European Energy Forum
- Climate Change Expert Group (DG Clima)
- Alliance of Energy Intensive Industries

Scoping issues between the DCC and RfG code

IFIEC Europe represents industrial consumers, with in many cases industrial consumption sites (subject to the NC DCC) with on-site generation assets (subject to the NC RfG)

- Obligations on the connection point of industrial sites (DCC) (e.g. reactive power, voltage requirements, ...) can be influenced or even opposite of those imposed on generation assets, sometimes even with perverse effects
 - E.g. requesting a generation asset on an industrial site to deliver reactive power while at the same time obliging the industrial site to maintain a neutral position concerning reactive power → Implying the industrial site taking (costly) actions to remain in balance (e.g. to avoid penalties for non-respecting reactive power requirements) while system operator gets a zero net effect despite (remunerated) activations
- In the case of Closed Distribution Systems, the CDS Operator (CDSO) is the Relevant System Operator and with exception of some voltage requirements (for which there is an RTSO) can impose its own Requirements of General Application

Issue of MCS and voltage criterion

IFIEC Europe represents industrial consumers with industrial consumption sites with on-site PGMs. In some (substantial number) of cases, such sites are Closed Distribution Systems (CDS), with different legal entities on a single site with each free choice of supply of electricity.

- In case of a CDS, the CDS Operator (CDSO) is the Relevant System Operator ⇔ Industrial site non-CDS
- In RfG for the determination of significance of PGMs, apart from a size criterion there is also a voltage criterion (connection point > 110kV = Type D), for which the **voltage level of the connection with the RSO** is determining:
 - In case of a CDS, it is the internal connection point → a PGM connected at a voltage level of e.g. 70kV within the CDS will not automatically be considered type D but will be evaluated based on its size to be A/B/C/D
 - In case of a non-CDS industrial site, it is the connection point with the public grid → for a non-CDS industrial site connected >110 kV, all PGMs will be considered type D, irrespective of size and will have to comply with the much more stringent requirements for type D, including e.g. a 5kW solar installation on a small building on site
- IFIEC Europe understands and supports the stable operation of the public grids, but cannot support this costly discrimination for PGMs and thus asks for the abolishment of the voltage criterion → no technical difference between a CDS and non-CDS should exist because of a mere voltage criterion!

Significant modernization

As described before, the NC DCC is applicable on site level whereas NC RfG is applicable on asset level

- Modernization of an individual asset and its level of significance is easier to determine than on site level
 - E.g. an industrial site with ten demand units modernizes one of these units. It will be probably impossible (and certainly unaffordable) to ensure full compliance of the entire site (including all other nine non-modernized assets) by the modernization of that single asset
 - E.g. on an industrial site with ten demand units, a new demand unit is added. Similarly, this one single asset cannot bring the entire site to full compliance
- A too strict application of significant modernization leads to either (too) costly investments or to an avoidance of investments and a deterioration and in the end disappearance of a site over time. None are good from a societal point of view and in will in any case not lead to additional capabilities for TSOs for a stable operation of the grids.
- IFIEC Europe understands and supports that over time, when **all** assets on a site are modernized, the entire site should be compliant with the NC DCC, but that before this point any modernization should lead to a better compliance and more capabilities and can in any case not be hindering any future compliance with the NCs
 - *This should, in case of revision of the NCs and the technical requirements, also include a grandfathering of any past investments as these will of course not be necessarily compliant with unknown future modifications of the requirements*

Demand Response Services

The DCC code is applicable also to all (Art 1 §1 (d)) *“demand units, used by a demand facility or a closed distribution system to provide demand response services to relevant system operators and relevant TSOs”*

- IFIEC Europe proposes to **remove** this point from the scope of the DCC scope (and thus all subsequent related articles)
- IFIEC Europe believes that it is **much more agile** to include any necessary requirements for such demand units in the **product specifications** of the different ancillary services of system operators where demand side response can participate
- By doing so, it is ensured that **no undue requirements** are imposed to demand units and that only those requirements relevant for the ancillary services to which the demand units want to participate have to be tackled by the demand units.
- By imposing the necessary technical requirements as a necessary technical condition for participation to ancillary services, the **same end result** will be obtained (or even a better result, as potentially more demand units will participate that can only cater to *specific* ancillary services and not necessarily all), while at the same time ensuring that if such requirements would evolve over time, **changes could be applied more rapidly than through the cumbersome process of network code changes.**