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Betreft

Draft guidelines for good practice on electricity grid connection
and access

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Datum

8 mei 2009

Ons kenmerk

20090326

Uw kenmerk

E08-ENM-09-03

Liander's reaction to the ERGEG public consultation E08-ENM-09-03:

"Draft guidelines for good practice on electricity grid connection and access"

Introduction

Liander is one of the largest DSOs in the Netherlands. We build, maintain, replace and manage the electricity and gas grid in large parts of the country. Our grid supplies the energy to 2.8 million electricity and 2.1 million gas customers. In addition, we facilitate the market by handling over 448,000 switches annually.

Liander has read the ERGEG public consultation paper with great interest. We welcome the work done by ERGEG, and would like to take the opportunity to contribute to the process with this set of comments on the public consultation.

Before answering the various questions in the consultation paper, we would like to make some general comments

The document may unintentionally reflect the traditional top-down approach that has been the standard in the energy world for many years, where large vertically integrated utilities serve the market. This monopolistic approach, with transportation setting the requirements for distribution, works well in stable situations, which has been the case in many countries for many years.

The establishment of a competitive European energy market with the unbundling of grid and market operations has given rise to new customer group-related market concepts. These concepts are driven not only by the historical situation of the regional markets, but also by developments in technology and society. This is resulting in the emergence of a more bottom-up approach involving locally generated, distributed and consumed energy of renewable/sustainable origins.

These bottom-up developments mean that a greater flexibility is needed compared to the traditional approach, especially for the DSOs, with respect to responsibilities and the technical framework. The draft document unintentionally reflects the traditional view, by not paying attention to the local diversification of the energy supply and future developments.

One should take into mind that both TSO and DSO facilitate the same market, albeit at different power levels. Therefore, we have a vision for the energy networks: one that utilizes not only an equal approach to the generation, transportation and distribution at all power levels but which also takes into account the maturity of regional markets and the different development directions of the regional markets. This would, in our view, allow for a process in which all market participants need to play a role in close cooperation with one another. We also believe this process is needed in order to reach the objectives as stated in chapter 1.1 "Problem Identification".

In response to the specific questions set out in the consultation paper:

- *Do you agree with the problems these GGP are trying to solve – are there other problems that should be addressed within grid connection and access not yet included in these guidelines?*

We welcome the overall approach with the Guidelines setting out a series of principles for Good Practices for connection and access by identifying and describing the roles and responsibilities of stakeholders and market players. However, we feel that the draft presents a view that does not take into account the historical developments of regional markets and the current developments in society where locally generated sustainable energy is "booming". The GGP should reflect the locally relevant market conditions before establishing a guideline.

- *Do these guidelines address the problem - will they lead to more transparent, effective and non-discriminatory grid connection and access?*

No, as stated in the first bullet point above, the GGP has to take into account the locally relevant market conditions. For example, DSOs, with a lot of locally generated power, have to navigate between their duties to facilitate the market and the efficiency goals set by the regulator. If the requirements do not reflect the relevant market situations, but only the national/international rules, the DSO may have a conflict with the efficiency goals.

- *Please outline your views on the description of the roles and responsibilities set out in Section 3.*

The GGP differentiate between Member States, Regulators, TSOs, DSOs, Generation Units and Consumption Units. We recognize that these are the roles that can be distinguished and related to grid connection and access. However, it

makes a significant difference if these roles are viewed in the traditional light of a top-down energy supply with large power plants, or if they are viewed from the perspective of many small-scale (residential) production units.

- *Are the technical framework and general provisions for generation, consumption and DSOs relevant and practical? Is there anything else that should be included / excluded? (Sections 4&5).*

5. Technical framework for grid connection and access.

5.1.2: Operating Voltage

The EN50160 is a European Standard on "voltage characteristics of electricity supplied by public distribution systems" and is widely accepted (for instance: in the Netherlands, it is included in the grid code). In this paragraph, it is sufficient to refer to the EN50160. Deviation from this standard as described in this paragraph will only contribute to the system's instability.

Cooperating when defining voltage levels could be considered an inappropriate interference in the grid operation of DSOs; the same applies for the definition of equipment. Each DSO should be able to define voltage levels and equipment independently of TSOs, taking into account the national and international standards and the local situation.

5.3.3.1: This describes that the DSO is responsible for ensuring that a consumption unit or equipment does not interfere with other consumption units or equipment. This, however, is not controllable. There is an obligation to control the interference levels and the possibility of shutting down the consumption unit/equipment that causes the interference.

5.3.3.2: The intervention threshold if a certain interference level is reached is already included in the European Standard. Such thresholds should not be definable or open for discussion by TSOs and DSOs.

5.3.6.2: The verification of requirements established in the terms and conditions for grid connection and access may conflict with the legal duties of the TSO/DSO which accompany their unbundled role. This verification is outside their mandatory scope.

5.4.1.1: Devices for metering and information exchange. In many cases, there are no devices for metering and exchange on the connection points between the TSO and DSO networks. In the Netherlands, alternatives are being sought for installing devices on the connection points. We suggest that this paragraph should also include alternatives that can be established in cooperation with the TSO and DSO.

5.4.2.2: Reactive power flow between TSO and DSO shall be avoided. There is a lower limit to the reactive power flow; avoiding this or reducing this to zero is not technically feasible.

5.4.3.4: Load shedding, or is it load shaving? This is a typical TSO topic. It reflects the situation where there is only centralized power generation. Locally generated and distributed power at the DSO power levels is not taken into account in this paragraph. Shutting down and starting up the system without the aid of locally generated power will not contribute to the system's stability. More (and equal) cooperation in the situation with a lot of locally generated power is necessary in order to reach stability in this situation.

- *How would the implementation of these GGP affect your business / market – what would the impacts be?*

As stated above, the GGP should reflect the relevant local market conditions, and it should be more “future proof”, taking into account the current developments in society and technological developments regarding sustainability and renewable energy sources. A more equal approach between TSO, DSO and Generating Units needs to be in place to ensure the positive impact of the GGP.

- *We note that respondents to the consultation on the Implementation of the 3rd Package asked for certain areas, such as priority access for renewables, to be dealt with by ERGEG GGP. Priority access has not been covered by these particular guidelines, however, regulators welcome further input on this and other relevant issues.*

Priority access for renewables is a hot topic that is currently being put into law in the Netherlands. Priority access does not only influence the grid operation of TSOs and DSOs, but also the rights of older generation units.

At a local level, congestion could occur due to a temporary or other lack of capacity. Priority access for renewables cannot be considered without a form of congestion management. How to deal with generating units that need to power down in favour of renewables is an issue that needs to be addressed.

We hope that you find this response helpful. Please do not hesitate to contact us if you would like to discuss any of the issues raised in more detail.

Kind regards,
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