

Dear Sirs,

Development of the European Network Codes in a GB context

We write as Chairmen of the three GB electricity industry codes (Balancing and Settlement Code (BSC), Connection and Use of System Code (CUSC) and Grid Code) Panels to bring to your attention steps that we are taking in respect of the development of the European Network Codes with the aim of ensuring better understanding and engagement in this important process by GB stakeholders.

As you may already be aware, the network codes for the GB electricity system are separated into three distinct areas: BSC, CUSC and Grid Code. Each of these governs specific elements of network code arrangements, and for each one there is an established process for introducing necessary changes in light of industry or legislative developments. This change process is governed by the Panels of the respective codes.

The establishment of the codes stems from the Transmission Licence obligation placed on National Grid Electricity Transmission (NGET). The Transmission Licence obligation on NGET, in turn, comes from the GB statute, the Electricity Act 1989 (as amended).

The three code Panels are aware of the developments arising from the Third Package, and in particular, the role that ENTSO-E and its members will have in the development of the European Network Codes. As we are sure you appreciate, once the European Network Codes have been developed and approved through the comitology process, they will require associated changes to the national network codes in each jurisdiction of the EU. In Great Britain, this will therefore require changes to one or more of the three codes (BSC, CUSC and Grid Code) to bring our national codes into alignment with the European Network Code(s).

The BSC, CUSC and Grid Code have well established means of expert stakeholder engagement in the code change process. In order to actively support the engagement by GB stakeholders in the development process of the European Network Codes by ENTSO-E, it has been decided to establish a Joint European Standing Group across the three aforementioned codes.

The broad aim of the Joint European Standing Group is to help facilitate the active engagement by parties to the three GB electricity codes (and other stakeholders) with NGET who, as the GB network system operator (or NETSO), is taking the leading role amongst the GB TSOs in the work that ENTSO-e is undertaking on the development of the European Network Codes. The Joint European Standing Group is designed to complement the formal consultation process as set out in the third legislative package by encouraging discussion between all parties concerned.

We envisage the work of the Joint European Standing Group will lead to NGET having an improved and earlier understanding of, and appreciation for, the views from electricity market stakeholders of the developing European Network Codes. They will be able to reflect upon those views and consider them when they engage with others within ENTSO-E and thus we believe enhance and improve the development of the European Network Codes.

The work of the GB Joint European Standing Group will not be a substitute the planned formal consultation arrangements. Instead the objective is to enhance and compliment (rather than conflict with) the work of ENTSO-E and its members.

Finally, during the discussions we have had with parties in the design of this Joint European Standing Group, we have been alerted to a potential improvement to your consultation process for the European Network Codes. Specifically parties believe that there would be merit in both ACER and ENTSO-E considering utilising a pro-forma for each consultation it undertakes to allow parties from across Europe to easily and quickly provide you with some high level pertinent facts about themselves. We believe that this would help the two bodies in ascertaining the role and experience of the responding party, and as such categorise the range of responses and comments received and hence have easier visibility of the potential origins of concerns raised. We attach an illustrative example of what the pro-forma might look like (See Appendix 1) and hope you will look on this suggestion favourably.

Yours faithfully

etc

APPENDIX 1

| | |
|--|---|
| Response Proforma | |
| Member State(s) | |
| Organisation Name | |
| Functions (Tick all that apply) | |
| Generation – Nuclear – Coal – Gas – Oil – Wind – Hydro – Wave – Other please specify..... | Approx MW Total Capacity |
| Supply (Tick all that apply) Customers - Non-household: large - Non-household: SME - Household | Approx number of |
| Network Operator (Tick all that apply) Transmission - Interconnector - Onshore - Offshore Operating Voltages – 300 - 500kV – 150 - 300kV – 100 - 150kV – <100Kv Distribution connections Operating Voltages – 300 - 500kV – 150 - 300kV – 100 - 150kV – <100Kv | Approx km Approx km Approx number of customer |
| Manufacturer Type of plant manufactured - Generation (state type) - Other (state) Sales by MW / €m per annum | |
| Other (Tick all that apply)- Trade Association Elected Official Official Body Academic Body Member of the public Other please specify | |