

IFIEC Europe answer to the European Commission's Have Your Say on the Network Code Requirements for Generators 2.0

IFIEC Europe would like to thank the European Commission for the possibility to provide input on its proposal for the Network Code Requirements for Generators (2.0). IFIEC Europe would like to refer also towards the on-going work on both the Network Code for Demand Connection (2.0) as well as the new Network Code on Demand Response, which both are of great importance for industrial consumers. IFIEC Europe has understood that work on these two codes should start again soon and hopes that these will also be entering into force within the near future.

IFIEC Europe would like to indicate the importance of the long-awaited approval of an adapted Requirements for Generators Network Code, in particular because of the inclusion of storage into the scope of the network code, which should allow for better harmonization across Member States, which could and should lead to economies of scale and thus overall system cost reductions.

- IFIEC Europe strongly agrees with the approach chosen to base the categories of power-generating modules on the underlying technology, their size and their effect on the overall system. The latter will be of great importance in the framework of the NC DCC 2.0, where requirements are defined on the connection point, and it is thus clear that small power-generation (or storage) connected in large industrial sites should be taken into account based on the context and not only their individual technology or size (which might in many cases be dwarfed by the load on the same site, thus completely nullifying their individual impact on the grid). To this element, IFIEC Europe would like to explicitly express its support for the removal of a voltage criterion for the definition of type of generation or storage (ABCD), as this has led to discrepancies and the need for derogations regarding small assets connected in industrial sites above 110kV.
- IFIEC Europe strongly supports that back-up power (and storage) are excluded from the technical requirements applicable to other assets (Cf. Art.3).

- Regarding Art. 4 on significant modernization, IFIEC Europe wants to stress that the proposed range of 5-20% could lead to unwanted perverse effects, as in particular the lower bound of this range could have severe effects when efficiency gains are introduced. IFIEC Europe wants to refer to currently applied ranges which cover 20-50% for substantial modernization, which ensure that existing assets would not be unduly have to comply with new, more stringent requirements, which would potentially negatively impact investments in efficiency gains.
- IFIEC Europe strongly supports that local islanding is in some cases allowed, to mitigate risks, as is being discussed in the scope of NC DCC 2.0, in order to avoid avoidable damage to (industrial) installations for which the local islanding option has been designed from the onset.
- Regarding Art. 6, IFIEC Europe strongly supports points 8, 9 and 10, which correctly reflect the reality of the operation of both embedded power-generating modules and combined heat and power production in industrial sites and their underlying processes as well as their characteristics of operation.
- IFIEC Europe strongly supports the general notion that Member States should not set more stringent requirements at national level on power-generating modules outside of the values provided for in this Regulation, with the exception of (voluntary) agreements, insofar required to preserve or restore system security.
- IFIEC Europe also supports the requirements in Art. 45 to perform a cost-benefit analysis to determine whether to extend the applicability of certain requirements to existing generators (or storage). While it is important to provide full transparency on such CBAs, IFIEC Europe also wants to stress that it is important to take into account that a CBA can be positive on average, but at the same time highly negative for specific installations. Insofar, based on such average positive CBA, requirements should be introduced ex post, this could lead to severe implications, in particular for specific installations for which the CBA would be negative, as grid users cannot just pass-through additional costs directly. Any CBA should thus explicitly take into account categories and/or types of assets to ensure that at least part of this risk is analyzed (Cf. Art 45 (5)(a)(ii)). Moreover, it is important that all necessary information (e.g. data, grid models, ...) to conduct CBAs is provided by the transmission and distribution system operators to those parties which would have to perform such a CBA when these are not the aforementioned parties themselves.
- Regarding Art. 55 on derogations, IFIEC Europe strongly supports the possibility to apply for individual derogations, in order to ensure that specific cases and/or evolutions in technology can be allowed to connect within the range of their intrinsic technical capabilities. However, IFIEC Europe most strongly regrets that the possibility to apply for class derogations has been removed, as this means that in case any derogations would be required for a certain type of asset, every individual installation would have to apply for a derogation, leading to a potentially unnecessary and avoidable additional

workload for all involved parties. IFIEC Europe most strongly urges to include the possibility for class derogations, as foreseen in RfG 1.0, and even asks for the possibility for other parties than only transmission system operators to apply for such class derogations. IFIEC Europe wants to remind that it is in any case the regulatory authority which has to validate any derogation and as such some flexibility regarding the introduction of a request for (individual or class) derogations should not lead to unduly granted derogations, but would rather streamline the process and allow for better efficiency to cope with situations not necessarily covered in RfG 2.0. In any case, IFIEC Europe supports the provision in Art. 57 (4) that the TSO and relevant system operators shall assist the power-generating facility owner in preparing the cost-benefit analysis assessing a potential derogation, contribute to that analysis and provide the necessary data.

IFIEC Europe in general most strongly supports a swift entry into force of RfG 2.0 (to be followed by DCC 2.0 and NC DR), in order to allow a robust energy system at the lowest possible costs through harmonization of requirements. IFIEC Europe hopes that its above comments will be taken into account and remains