

Mr. Alberto Pototschnig

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Subject: Submission of the ENTSO-E Network Code on Demand Connection

Dear Mr. Pototschnig, dear Alberto,

In accordance with Article 8(1) of Regulation (EC) 714/2009, as well as the letter of the European Commission - DG Energy to ENTSO-E, dated 5 January 2012, please find attached the final ENTSO-E Network Code on Demand Connection (NC DCC) submitted to the Agency for a reasoned opinion whether it is in line with the framework guidelines on electricity grid connections.

In accordance with the provisions of ACER's framework guidelines on electricity grid connections, and taking into consideration Article 10 of Regulation (EC) 714/2009, please find also attached an extensive set of supporting documentation to this final NC DCC:

- "NC DCC – Evaluation of Comments";
- "NC DCC – Frequently Asked Questions";
- "NC DCC – Justification Outlines"; and
- An Explanatory note on "How can the DCC facilitate Demand Side Response measures across Europe?"

Earlier versions of the first three supporting documents had been made available for comments to the last DCC User Group meeting of 13 November 2012. Earlier versions of all supporting documents have also been published on the ENTSO-E website ahead of the public information session hosted on 12 December 2012.

In addition to these supporting documents of the final NC DCC, I wish to refer explicitly also to the following publicly accessible information¹ that illustrates how ENTSO-E with input from interested parties across the European energy sector evolved towards the final NC DCC:

- Agreed minutes of bilateral stakeholder meetings in the early scoping phase;
- Agreed minutes of meetings with a dedicated DSO Technical Expert Group;
- Agreed minutes of interactions with the DCC User Group;
- The "DCC – Call for Stakeholder Input" and its resulting feedback (April 2012);
- "DCC – Explanatory Note" supporting the public consultation of 27 June – 13 September and giving the ENTSO-E assessment of all responses in the "DCC – Call for Stakeholder Feedback".

In addition to all the aforementioned public documents, I wish to reflect on the interactions ENTSO-E had with the Agency and the NRA project team in the past months. The informal preliminary Opinion (25 September, and updated on 17 October), as well as your letter of 23 October expressing five areas of concern, gave additional guidance to us in improving compliance of the code with the framework guidelines and improving the quality of the NC DCC supporting documents. Also in the last weeks

¹ <https://www.entsoe.eu/major-projects/network-code-development/demand-connection/>

before finalising the NC DCC, the constructive feedback of your staff and involved NRAs had its impact on the final NC DCC and reinforced the view that the successful accomplishment of network codes as binding European Regulations is a joint goal of ENTSO-E and the Agency. As such we urge that also during the three month period beginning now during which you develop the ACER reasoned opinion to continue the intense interaction between our two organisations to reflect this goal.

ENTSO-E welcomes the EC request for a trilateral meeting in early January with the objective to ensure a proper understanding of the content, principles and argumentation of the NC DCC, and we already communicated our support and availability for this.

One of the key components of the NC DCC is the concept of Demand Side Response (DSR), which has also been a main topic of interest in stakeholder discussions and was emphasized in the preliminary ACER Opinion and your letter on areas of concern. Based on the EC's key principles for a successful Comitology process and full coherence with other legislative measures (i.e. Energy Efficiency, Ecodesign, Mandate 490), ENTSO-E re-oriented the process for DSR in the code and amended its supporting documents. We are strongly convinced that the DSR measures in the NC DCC are aligned with the provisions of the framework guidelines and the objectives of the 3rd Package. A successful completion of embedding the NC DCC requirements on DSR in European Regulation can only be ensured with the continuous collaboration of all involved parties.

As a last item, I wish to refer to Articles 9(3) and Article 10 in the NC DCC, covering national scrutiny over the implementation of non-exhaustive requirements and cost recovery by regulated network operators, respectively. Both topics were called upon for further improvement in the ACER Opinion on the NC RfG (13 October 2012). At this stage both our organisations have not yet reached a clear consensus on both items. As ENTSO-E envisages to close the present phase of the NC RfG development in the coming months, preferably with an agreement of ACER on all relevant topics, we expect this will also result in a positive outcome for the NC DCC on these two points and I am confident we can find a pragmatic way to amend the NC DCC package in this regard during the EC's Comitology preparation phase.

ENTSO-E's final NC DCC and its supporting documents will be made available on the ENTSO-E website in the coming days as well.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "K. Staschus".

Konstantin Staschus
Secretary-General