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**OPINION OF THE AGENCY FOR THE COOPERATION OF ENERGY
REGULATORS No 17/2014**

of 19 September 2014

**ON THE ENTSO-E INCIDENTS CLASSIFICATION SCALE – METHODOLOGY
2014**

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators¹, and, in particular, Articles 6(3)(b) and 17(3) thereof,

HAVING REGARD to Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003², and, in particular, Article 9(2) thereof,

HAVING REGARD to the favourable opinion of the Agency's Board of Regulators of 17 September 2014, delivered pursuant to Article 15(1) of Regulation (EC) No 713/2009,

WHEREAS:

- (1) On 25 June 2014 the European Network of Transmission System Operators for Electricity ('ENTSO-E') submitted the Incidents Classification Scale - Methodology for 2014 ('ICSM 2014') to the Agency for its opinion.
- (2) In drafting of the ICSM 2014, ENTSO-E endeavoured to involve the Agency by organising bilateral meetings and by sharing early draft versions of the document.
- (3) Pursuant to Article 6(3)(b) of Regulation (EC) No 713/2009, the Agency shall provide an opinion to ENTSO-E in accordance with the first subparagraph of Article 9(2) of Regulation (EC) No 714/2009 on relevant documents referred to in Article 8(3) of Regulation (EC) No 714/2009. Point (a) of Article 8(3) of Regulation (EC) No 714/2009 refers to a common incidents classification scale to be adopted by ENTSO-E.
- (4) The ICSM 2014 is strongly linked with ENTSO-E's Network Code on Operational Security, Network Code on Operational Planning and Scheduling, and Network Code on Load-Frequency Control and Reserves ('the draft Network Codes'). Therefore the Agency in formulating the present Opinion also considered its Opinions and Recommendations on these draft Network Codes,

¹ OJ L 211, 14.8.2009, p. 1.

² OJ L 211, 14.8.2009, p.15

HAS ADOPTED THIS OPINION:

The ICSM 2014 defines the scales for classifying system incidents according to severity, and the scope and content of the annual report on these incidents.

The Agency deems that the ICSM 2014 meets the objectives of non-discrimination, effective competition and the efficient and secure functioning of the internal market in electricity. The ICSM 2014 also effectively complements the draft Network Codes in the areas of monitoring the efficiency and appropriateness of network code provisions, as well as of the power system performance. As such the ICSM 2014 will support collecting factual and statistical data which the Agency will take into consideration when preparing proposals for amendments of the Network Codes.

Nonetheless, in a few specific areas, in particular concerning the granularity of the reporting and the involvement of the National Regulatory Authorities ('NRAs') in the investigations of large-scale incidents, the ICSM 2014 does not appropriately take into account the Agency's Recommendation on the Network Code on Operational Security of 11 November 2013³:

- The Agency reiterates, in line with its Recommendation on the Network Code on Operational Security and its Framework Guidelines⁴, that system performance's reporting shall be based on a Member State granularity. In the opinion of the Agency, performance indicators are important vehicles to monitor the efficiency and effectiveness of the network codes developed pursuant to Articles 6 and 8(6) of Regulation (EC) No 714/2009. Performance indicators are thus essential to decide on appropriate policy options in the frame of the network codes amendment process pursuant to Article 7 of Regulation (EC) No 714/2009. This can only be achieved with Performance Indicators (both for Operational Security and Operational Planning) having a Member State resolution. The Agency therefore calls for clarification of the format of these indicators in Section 4 of the ICSM 2014 to the effect that they have a Member State resolution in the Pan-European Incidents Classification Scale ('ICS') Annual Reports;
- The Agency recalls, as already stated in its Recommendation on the Network Code on Operational Security, that the involvement of NRAs in the process of analysis and classification of system incidents, especially those categorised as having influence on one region or more, plays a pivotal role in the evolution of network codes. The Agency therefore calls for clarification, in Section 6 of the ICSM 2014, on the participation of the 'Relevant' NRA in the Investigation Procedure so that the NRA can request from the 'Relevant' Transmission System Operator to be involved in the investigation.

In the Agency's view these issues can be addressed with immediate effects on the first Pan-European ICS Annual Report and content-wise, within a reasonable period in the context of the review of the ICSM 2014. In addition to adjustments due to technical and regulatory developments, it will provide the opportunity to revisit the language and drafting of the ICSM 2014 and to seek

³http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2009-2013.pdf

⁴http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Framework_Guidelines/Framework%20Guidelines/FG-2011-E-003_02122011_Electricity%20System%20Operation.pdf

improving its clarity. This review will be essential for ensuring an effective and efficient implementation of the ICSM 2014 and the Agency suggests that such review continues in an annual cycle. To facilitate the improvement of the ICSM, the Agency encourages ENTSO-E to collaborate with the Agency during the review process.

Notwithstanding the above, due to uncertainty on how the methodology will be applied in practice, the Agency reserves the right to issue a further opinion on the ICSM 2014 upon receiving the first Pan-European ICS Annual Report developed pursuant to the ICSM 2014.

Done at Ljubljana on 19 September 2014.

For the Agency:


Alberto Pototschnig
Director



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