



## ACER's consultation on Emergency and Restoration Network Codes Comments on ENTSO-E's final proposal (25 March 2015) April 29<sup>th</sup> 2015

The SEDC would like to thank ACER for the opportunity to comment on this Code. Our main concerns address the protection of small consumers providing demand response (DR) services in the balancing market.

The SEDC acknowledges the significant improvements that have been made regarding the protection of demand response service providers, including residential consumers, in this Code. In the initial version, all consumers participating in DR programmes were considered as *Significant Grid Users* and then automatically involved in TSOs' plans to protect the grid. Entso-e has made important efforts to limit this forced involvement in Defence Plans and Restoration Plans:

- Entso-e has introduced definitions of Defence/Restoration Service providers, which implies the clarification of the SGUs involved - or not - in these plans<sup>1</sup>;
- NRAs have to approve the terms and conditions of Defence/Restoration Service Providers<sup>2</sup>;
- Prior to setting up their Plans, TSOs have to consult SGUs and take into consideration their capabilities<sup>34</sup>;
- Defence/Restoration Service Provision has been made contractual per default, unless the national legal framework decides differently<sup>56</sup>.

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<sup>1</sup> Chap. 1 *General Provisions*, Art. 2 *Definitions*, p.7

<sup>2</sup> Chap. 1 *General Provisions*, Art. 4 *Regulatory approval*, p.9

<sup>3</sup> Chap. 2 *System Defence plan*, Art. 9 *Design of the System Defence Plan*, p. 12

<sup>4</sup> Chap. 3 *Restoration Plan*, Art. 21 *Design of the Restoration Plan*, p. 22

<sup>5</sup> Chap. 2 *System Defence plan*, Art. 9 *Design of the System Defence Plan*, p. 12

<sup>6</sup> Chap. 3 *Restoration Plan*, Art. 21 *Design of the Restoration Plan*, p. 23

Despite these changes, TSO can still require the participation of DR programme participants. This would significantly increase the costs and feasibility of these programmes. In particular, the ER NC requires significant investments in resilient communication systems<sup>7</sup>.

**The possibility for each Member State to decide the involvement of DR services providers remains problematic for two main reasons:**

First these investments cannot be absorbed by small - or even many large - consumers and would lead to their exclusion *de facto* from DR programmes. A significant share of the demand-side flexibility potentially available would then remain untapped.

Furthermore, different national set-ups would create competition issues on cross-border balancing markets. A demand facility facing these costs could not compete with a neighbour resource who is excluded from Defence/Restoration Plans.

**For these reasons, the SEDC would call for ACER to:**

1. Make the Defence/Restoration Services Provision contractual in all Member States;
2. Disconnect the willingness of a consumer to provide demand side resources, with required and automatic involvement in the national Emergency and Restoration Plan.

The security of the system is a high priority of the SEDC, where demand-side resources can significantly contribute. ACER should make sure that security plans do not jeopardise the important efforts which have been deployed in all the Network Codes to enable demand-side response.

The SEDC would like to thank ACER for taking into account these remarks. We remain at your disposal to discuss our propositions.

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<sup>7</sup> Art. 39 *communication systems*, p. 35