

## POSITION

**Subject:** BGA input to the public consultation on the criteria for derogation procedures from the European Grid Connection Codes

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The BGA (Belgian Generators Associations) welcome the consultation on the criteria for derogation procedures from the European Grid Connection Codes and appreciates the coordination between the regulators. We would like to raise several issues concerning the consultation document, notably the absence of concrete proposals regarding criteria to grant a derogation and the highly demanding procedure.

The BGA regret that the consultation document doesn't give concrete proposals regarding which requests (not exhaustively) will be treated and which criteria will be used to grant a derogation. This first set of criteria could still be reviewed later on, as granted by the RfG code (Art. 61 point 2) but with no retroactive changes related to granted derogations (as mentioned in the specific article). In proposals from for instance the French and UK regulators, this is much better developed and more pragmatic. These regulators address rightfully the worries and discomfort grid users, developers and investors have with the requirements as presented in the grid connection codes and their implementations. Especially as the latter seem to ignore existing international manufacturing standards and norms for electrical equipment and could harm innovation. At least in a transitory period, some comfort can be offered by a reasonable and pragmatic derogation process.

We therefore propose that the Belgian regulators establish a set of standard criteria or situations where derogations can be granted for some particular grid users without going through a (full) derogation procedure. For example:

- the generation facility owner encounters difficulties to comply with several provisions linked:
  - to the primary energy source (e.g. heat or fatal hydraulic power) where departure from the optimal set point can outweigh the energy efficiency gain;
  - to the type of synchronous or non-synchronous units (e.g. fault-ride-through capability especially for small synchronous units);
- When generation and demand facilities share a common connection point, the application of the rules for both RfG and DCC can result in conflicting requirements. Currently Elia should still perform a check to make sure that the requirements for DCC and RfG are compatible with each other. A simplified derogation process should be available to resolve the situation (at least until compatibility is established).
- In case the owner of a(n) (existing) generation facility can prove that the application of the rules endangers the safe operation of the facility, a simplified derogation process should be available.
- A simplified derogation process should also be possible for units that are not directly connected to the grid (100% consumption) or that are not available for the market (emergency units for instance);
- the generation facility owner has a generation unit connected at a voltage level that is higher than its normal (more appropriate) connection voltage, imposing to oversize the facility to answer the requirements of a higher category;
- the generation facility owner can't physically or technically comply with some technical requirements at the entry into force of the code, because manufacturers do not offer compliant products on the market;

- the relevant system operator considers that the strict application of one or several provisions could have a detrimental effect on the operation and the stability of the system locally and nationally.

We are of the opinion that the proposed derogation request process is administratively heavy, seems to put all the responsibility for justification and burden of proof at the requestor and leaves a lot of interpretative freedom for the evaluator (i.c. the regulators). More specifically we have the following examples and comments on:

The criteria:

- What are the tolerances for the consequences of a derogation? E.g. now it is stated that the requestor must motivate that there are no “relevant” negative consequences for other grid users, grid security, market functioning, ... For the BGA, the derogation criteria are formulated too strictly: it is hard to exclude any relevant impact at all, the question is whether the impact is acceptable or not. In some highly relevant cases a consultation of stakeholders should in fact be considered in order to assess the impact and its acceptability. In general, different approaches could be considered according to the case.
- In general, we suggest that the request for derogation should provide supporting information, not a proof.
- Some of the proposed criteria are already covered by existing legislation and standards and should therefore not be used as derogation criteria. For instance, the criterion that stipulates that the derogation should not have a negative impact on health and environment is not relevant in this context.

The Cost Benefit Analyses:

- How will asymmetric data ownership be handled? Only the TSO can provide cost data regarding impact on the grid or can indicate the benefits for the system. In general, the CBA requires data that most generators do not have access to.
- The CBA should be made by one or more experts. What is the definition of an expert? Can this be a company internal expert?
- The request for derogation should prove that the derogation won't impact the cross-border trade, this cannot be proven legally.
- The reference scenario of the CBA is a full implementation of the requirements of the connection codes; we assume it is (where applicable) the Belgian implementation of the requirements that gives the reference scenario.

The process:

- Must the requests for a derogation be addressed to 4 regulators in 3 languages?
- The technical and commercial information required for a derogation procedure can be competition-sensitive and should therefore be treated confidentially.

Derogation procedures can be long, complex and uncertain for all the parties concerned (grid users, grid operators and regulators) and should therefore be used as last resort. The procedure should also not be such a burden that it outweighs the potential benefits of the derogation. This would especially disadvantage owners of smaller installations. It may be helpful to provide some further guidance for applicants as to how regulators will assess an application and whether in order to aid the applicant in making a robust case.

It should be possible to grant permanent derogations, not only for specific time scheduled. For instance, if a requirement is not needed locally, the grid user could avoid the investment costs for meeting this requirement. This kind of derogation should last for the entire life-time of the installation.

In case a derogation is refused, a grid user should be able to reapply for a derogation afterwards. The decision for a derogation can evolve over time driven by market changes, availability of primary energy, operating mode, adequacy situation

Once a derogation is granted, the modalities for applying the derogation should be clearly defined. It should also be clear how the regulators and system operators will manage and treat these derogations.

The procedure for requesting a derogation within the Emerging Technology Classification was only known for a very short time period and, regrettably, has not been communicated broadly to all stakeholders. Therefore, it is advisable that a general derogation can also be requested **by a manufacturer** for a specific type/model of generation units. Even outside of the emerging technology classification this can be of value for smaller generation units where the owners themselves cannot be expected to submit a derogation request each.

We also suggest to consider to make a request for a general, or rather grouped derogation **by facility owners** possible. When a facility owner has comparable installations on his site(s), a grouped derogation can be much more efficient compared to several individual derogation requests.

We also plead for a coordination amongst regulators in Europe and an alignment of the criteria for derogation. It should be avoided that some EU member state are more lenient than others. This would lead to absurd situations that for instance innovative solutions can be installed in the UK and not in Belgium, fast peak units can be installed in France and not in Belgium, ...