

DISTRIBUTION CODE MODIFICATION PROPOSAL FORM

Modification Proposal submitted by: ESB Networks	DATE OF SUBMISSION OF PROPOSAL: 14 October 2020	Modification Proposal Number: <i>(to be assigned by Review Panel Secretary)</i> #48
CONTACT DETAILS FOR MODIFICATION PROPOSAL ORIGINATOR: (IF NOT DISTRIBUTION CODE REVIEW PANEL)		
NAME: Ivan Codd	TELEPHONE NUMBER: 01-2996044	
E-MAIL ADDRESS:	ivan.codd@esb.ie	
MODIFICATION PROPOSAL TITLE:	Proposed Distribution Code additional content to facilitate the Derogation Process requirements of the European Network Code on Demand Connection, Articles 50-55 (EU Commission Regulation (EU) 2016/1388)	
DISTRIBUTION CODE SECTION(S) AFFECTED BY PROPOSAL		
DGC12: Existing Content in "DGC12 RfG Unit Derogation Procedure" updated to facilitate requirements for the Demand Connection Code derogation process.		
MODIFICATION PROPOSAL DESCRIPTION <i>(Clearly state the desired amendment and all text changes. Attach further information if necessary)</i>		
<p>This modification proposal describes the proposed additional content to the Distribution Code that will facilitate the inclusion of new and changed content driven by the adoption of the EU Network Code on Demand Connection.</p>		
Background:		
<p>Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection (hereafter referred to as DCC) aims to establish a set of common, minimum requirements and principles for demand connections across EU Member states to enable the appropriate use of demand facilities' and distribution systems' capabilities to increase system security, facilitate trade and assist in the integration of renewable sources.</p>		
<p>The CRU issued a decision to extend the "existing classification" date to 7 September 2019, in line with the full go-live date of the DCC. This means that for all relevant demand connections connecting after the 7 September 2019 the DCC requirements will apply, unless the facility owner has concluded a final and binding contract for purchase of the main plant before the 7 September 2019 and has provided evidence of same as required by the DCC.</p>		
<p>The full text of the DCC is available on the ENSTO-E Website.</p>		
This Modification Proposal:		
<p>Following on from the Distribution Code Modification #46 (which incorporated the DCC requirements relating to Articles 27-30), ESB Networks have proceeded with the incorporation of the DCC articles relating to the Derogation Process (Articles 50-55*) into this Distribution Code Modification. The articles relating to Operational Notifications and Compliance will be captured in a future Distribution Code Modification and will align with the requirements of other EU Network Codes.</p>		

***Derogation from DCC Article 53.1:**

A derogation application has been submitted by ESB Networks to the CRU to apply for a derogation from DCC Article 53.1. A similar derogation request was made by the TSO to the CRU regarding Article 53.1 and the CRU has already approved this derogation.

An error was identified in Article 53.1 of the primary DCC text where there has been an omission of the wording “classes of” from Article 53.1. This error was confirmed by the EU Connection Network Codes Working Group and will be amended in the next iteration of the primary DCC text. It should be noted that the term “classes of” is included in the equivalent Article 63.1 in the primary RFG text.

Under the existing primary DCC text, article 53.1 states that the relevant system operator may request derogations on the behalf of [individual] transmission-connected demand facilities, transmission-connected distribution facilities, distribution systems, demand units within demand facilities or closed distribution systems. Instead, the primary DCC text should state that the relevant system operator may request a derogation on behalf of a **class** of transmission-connected demand facilities, transmission-connected distribution facilities, distribution systems, demand units within a demand facility or closed distribution systems.

In order to utilise DCC Article 53.1 as intended, ESB Networks is seeking a derogation from the CRU to enable ESB Networks to apply for derogations on behalf of **classes of** demand units.

If approved by CRU, Article 53.1 would be interpreted as the following:

“Relevant system operators or relevant TSOs may request derogations for **classes of** transmission-connected demand facilities, transmission-connected distribution facilities, distribution systems, or demand units within a demand facility or closed distribution system connected or to be connected to their network”.

And the associated proposal wording in the Distribution Code would read:

DGC12.4.1 The DSO may request derogations for **classes of** Generation Units or Demand Units connected or to be connected to their Network.

A derogation to this DCC Article 53.1 has been made by the TSO and the CRU has granted this derogation.

Principle Features of Proposal:

Existing Content in “DGC12 RfG Unit Derogation Procedure” updated to facilitate requirements for the DCC derogation process.

MODIFICATION PROPOSAL JUSTIFICATION (*Clearly state the reason for the modification. Attach further information if necessary*)

1. The DCC has now entered into force and is law in Ireland. It must now be reflected in the Distribution Code.
2. The [Derogation Criteria](#) for the DCC has been published and approved by the CRU (CER/17/116) and there is an action on the DSO to include this in the Distribution Code.
3. Users need to understand what requirements apply to them post adoption of the DCC.
4. The primary text of the DCC will remain in place and have primacy over the Distribution Code. However, it will be necessary to reflect some relevant requirements in the Distribution Code.
5. The spirit and intent of these structural changes is, to the extent possible, to minimise disruption but capture the relevant content in a meaningful way.
6. The Entry into Force of RfG and DCC is on a non-retrospective basis by default. They enter into force on different dates and hence means must be found to indicate to the reader which clauses apply from which dates. ESB Networks has continued the use of the “incorporative method” for the DCC requirements, which was previously used to harmonise the RfG requirements with the Distribution Code. This method uses a combination of symbols as well as the enclosing of text in boxes to identify requirements that are:

- Applicable to all users
- Applicable to Non-RfG Generation Units only
- Applicable to RfG Generation Units only
- Applicable to Non-DCC Demand Units only
- Applicable to DCC Demand Units only

7. In order to utilise DCC Article 53.1 as intended, ESB Networks is seeking a derogation from the CRU to enable ESB Networks to apply for derogations on behalf of **classes of** demand units. The TSO have made a similar derogation application to the CRU for Article 53.1 and the CRU have granted approval of this derogation. Therefore, the proposed text in this Distribution Code modification proposal relating to Article 53.1 allows for the DSO to request derogations for **classes of** demand units connected or to be connected to their network.

8. ESB Networks has updated the formatting and numbering of relevant sections where required.

IMPLICATIONS OF NOT IMPLEMENTING THIS MODIFICATION

- This is an EU regulation and cannot be ignored
- ESB Networks and customers will not be able to comply with EU law

PLEASE SUBMIT MODIFICATION PROPOSALS TO THE PANEL SECRETARY BY E-MAIL TO: DISTCODEPANEL@MAIL.ESB.IE