

EU Electricity Network Codes - Application Process for Generator Classification as an ‘Emerging Technology’

Update note
01 December 2016



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

Our Mission

Value and sustainability in energy and water.

Our Vision

We will make a difference for consumers by listening, innovating and leading.

Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted

Be a united team

Be collaborative and co-operative

Be professional

Listen and explain

Make a difference

Act with integrity

Abstract

The Requirement for Generators (RfG) network code sets out the technical requirements that all new electricity generators must adhere to from 17th May 2016. The RfG allowed a period of time for generator manufacturers to apply for their generator technology to be classified as an 'emerging technology'. New generators connected to the network that are classified as an 'emerging technology' do not have to comply with the requirements introduced as a result of the RfG.

This document follows on from the Guidance Note on applications for classification as 'emerging technology' published on 28th October 2016 and provides an update to relevant stakeholders that no applications were received.

Audience

This document will be of particular interest to Manufacturers, Generators, Developers, Asset Owners, Network Operators and potential investors.

Consumer impact

The RfG should assist the development of current emerging generation technologies in Europe, increase competition between manufacturers and reduce costs, thus reducing costs for consumers.

1. Background

1. European Union Commission Regulation (EU) 2016/631 of 14th April 2016¹ established a network code on “Requirements for Grid Connection of Generators” (RfG), which came into force on 17th May 2016. The RfG network code is one of a suite of European network codes that have been developed following implementation of the Third Package². These European network codes seek to deliver a harmonised set of rules for the operation of the gas and electricity sector in Europe.
2. The RfG outlines the requirements that apply to power-generating modules (PGMs)³ wanting to connect to the electricity network (at transmission or distribution level) and sets out the tasks and responsibilities for generation owners, network operators and system operators.
3. The RfG Code identified a number of synchronous areas (an area covered by synchronously interconnected TSOs) including the Ireland / Northern Ireland synchronous area.
4. Article 66 - 77 within the RfG details the transmission arrangements for ‘emerging technologies’ and allowed manufacturers to submit a request to the relevant regulatory authority for their generation technology to be classified as an ‘emerging technology’ within six months of the Regulation coming into force. Generators classified as an ‘emerging technology’ do not have to comply with the new requirements introduced as a result of the RfG.

¹ The RfG Regulation can be found here:- http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOL_2016_112_R_0001

² The Third Energy Package consists of two Directives and three Regulations: Directive 2009/72/EC concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC, Directive 2009/73/EC concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC, Regulation (EC) No 714/2009 on conditions for access to the network for cross-border exchanges in electricity, Regulation (EC) No 715/2009 on conditions for access to the natural gas transmission networks, Regulation (EC) No 713/2009 establishing an Agency for the Cooperation of Energy Regulators.

³ A ‘Power-generating module’ is defined in the RfG as either a ‘synchronous power-generating module’ or a ‘power park module’. A ‘synchronous power generating module’ means an indivisible set of installations which can generate electrical energy such that the frequency of the generated voltage, the generator speed and the frequency of network voltage are in constant ratio and thus in synchronism. A ‘power park module’ means a unit or ensemble of units generating electricity which is either non-synchronously connected to the network or connected through power electronics, and that also has a single connection point to the transmission system, distribution system including closed distribution system or HVDC system.

5. The Utility Regulator published a Guidance Note⁴ on 28th October 2016 setting out the process by which manufacturers could submit a classification request to the Utility Regulator (the **UR**). The Guidance Note set out the eligibility criteria stipulated in the RfG which would enable generators to be classified as an ‘emerging technology’.

This was:

- a. The generator technology must be “Type A” as classified within the RfG;
 - b. The generator technology must be commercially available; and
 - c. The accumulated sales of the power generating module (PGM) technology within the synchronous area of Ireland/Northern Ireland at the time of application for classification do not exceed 25 % of the maximum level of cumulative maximum capacity of 6.317 (i.e. 1.579 MW).
6. In addition to the eligibility criteria, the UR also required other information which included detailed justifications as to why the generation technology should be classified as an ‘emerging technology’, as well as consideration of the wider impacts of the classification. The UR welcomed applications by 17th November 2016 in order for Generators to meet the deadline imposed by the RfG.
 7. The UR set out to review any applications received in Northern Ireland and it was agreed that the Commission for Energy Regulation (CER) would review the applications received in the Republic of Ireland⁵.

⁴ <https://www.uregni.gov.uk/news-centre/eu-electricity-network-codes-application-process-generator-classification-emerging>

⁵ As per Article 69 - the relevant regulatory authority shall decide, in coordination with all the other regulatory authorities of a synchronous area, which power-generating modules, if any, should be classified as an ‘emerging technology’

2. Outcome and next steps

8. By the 17th November 2016, the UR did not receive any applications, from manufacturers of Type A power-generating modules, for generator classification as 'emerging technology' within Northern Ireland.

9. However, the UR will continue to engage with CER with regard to any emerging technologies that develop within the synchronous area of Ireland/Northern Ireland.