

**Grid Code
Modification
Recommendation Form**



Title of Recommended Proposal:

Incorporation of the DCC Derogation Process into the Grid Code

MPID: MPID 281

Date: 10 August 2020

Recommended at GCRP Meeting No.: 02 July 2020

Grid Code Version: 8.0

Grid Code Section(s) Impacted by Recommended Proposal: GC.9 Derogations

The Reason for the Recommended Modification:

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.

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 DCC.

On the 20 December 2020, EirGrid submitted Grid Code version 9 to the CRU for approval which includes the incorporation of the DCC technical parameters. Following on from this, three mandatory exhaustive sections from DCC need to be incorporated into the Grid Code to close out the harmonisation of DCC with the Grid Code. These sections are as follows:

- Operational Notification Process;
- Derogations Process; and
- Compliance.

This modification proposal covers the incorporation of the Derogations Process, as described in DCC Articles 50 to 55. This modification proposal describes the processes detailed in the DCC that Demand Facility Owners, DSOs and Closed Distribution System Owners, the TSO and the CRU shall follow for derogations related to DCC requirements. EirGrid will develop an EirGrid business process to support Demand Facility Owners, DSOs and Closed Distribution System Owners during this process. DSO should use the CNCD1 application form to initiate a derogation, while all other DCC units should use the CNCD2 application form. The TSO will use the CNCD3 application form to initiate DCC class derogations. These forms will be hosted on EirGrid's website.

It is important to note that two separate derogation processes will now apply for Demand Facility Owners, DSO and Closed Distribution System Owners, depending on whether they are Non-DCC or DCC Units. Both processes are described under Grid Code section GC.9 Derogations.

For reference, the full text of the DCC is available on the [ENSTO-E website](#).

When reading the red-line and green-line text below, please note that the process referred to in GC9.1 applies to existing Users only, whereas the derogation in GC.9.4 applies to DCC units only.

History of Progression through GCRPs, Working Group and/or Consultation:

On the 2 July 2020 this modification proposal was presented to the GCRP members.

The DSO representative made the point that there is potential for confusion with regard to the 'boxing off' of the requirement in the Grid Code i.e. what form/process applies to existing users and a DCC user. He recommended that further guidance be provided to users.

The TSO Member provided reassurance in that any possible errors will be caught during the initial derogation validation process.

No further comments or questions were received from the panel members.

The GCRP members recommended that the TSO issue a modification recommendation paper to the CRU for their review and approval.

Summary Note of any Objections to the Recommended Change from GCRP Members or Consultation Responses:

No objections were raised by the GCRP members in relation to the recommended change.

Outcome of any GCRP Meeting Actions Relating to the Recommended Modification:

No meeting actions were taken in relation to the recommended modification.

Red-line Version of Impacted Grid Code Section(s) - show recommended changes to text:

Deleted text in ~~strike-through red font~~ and new text highlighted in **blue font**

The following process is for all **Users** except **RfG Generation Units** and **DCC Units**.

GC.9.4 DCC Unit Derogation Procedure



GC.9.4.1 Power to Grant Derogations

CRU may, at the request of a **Demand Facility Owner, Closed Distribution Systems Operator and Distribution System Operator**, or the **TSO**, grant a **Demand Facility, Closed Distribution System, DSO** or the **TSO**, derogations from one or more **DCC Unit** clauses in the **Grid Code** for **DCC Units** and **Non-DCC Generation Units** in accordance with GC.9.4.2, GC.9.4.3 and GC.9.4.4. Derogations may be granted and revoked in accordance with GC.9.4.2, GC.9.4.3 and GC.9.4.4 by authorities other than the **CRU**.

GC.9.4.2 General Provisions

GC.9.4.2.1 The criteria specified by **CRU** to assess derogations pursuant to GC.9.4.3 and GC.9.4.4 are specified in forms CNCD1, CNCD2 and CNCD3 respectively.

GC.9.4.2.2 If **CRU** deems that it is necessary due to a change in circumstances relating to the evolution of system requirements, it may review and amend at most once every year the criteria for granting derogations as referenced in GC.9.4.2.1. Any changes to the criteria shall not apply to derogations for which a request has already been made.

GC.9.4.2.3 The **CRU** may decide that **Demand Facilities, Closed Distribution Systems, Distribution Systems** and **Demand Units** for which a request for a derogation has been filed pursuant to GC.9.4.3 or GC.9.4.4 do not need to comply with **DCC Unit** clauses in the **Grid Code** from which a derogation has been sought from the day of filing the request until the **CRU's** decision is issued.

GC.9.4.3 Request for a Derogation by a Demand Facility Owner, Closed Distribution System Operator or Distribution System Operator

GC.9.4.3.1 **Demand Facility Owners, Closed Distribution Systems Operators** and **Distribution System Operator** may request a derogation to one or several **DCC Unit** clauses in the **Grid Code** for **Demand Facility, Closed Distribution System** or **Distribution System**.



- GC.9.4.3.2 A request for a derogation shall be filed with the **TSO** using form CNCD1 or CNCD2 and include:
- (a) an identification of the **Demand Facility Owner, Closed Distribution System Operators** or **DSO** and a contact person for any communications;
 - (b) a description of the **Demand Facility, Closed Distribution System, Distribution System** or **Demand Unit** for which a derogation is requested;
 - (c) a reference to the **DCC Unit** clauses in the **Grid Code** from which a derogation is requested and a detailed description of the requested derogation;
 - (d) detailed reasoning, with relevant supporting documents and cost-benefit analysis;
 - (e) demonstration that the requested derogation would have no adverse effect on cross-border trade.
- GC.9.4.3.3 Within two weeks of receipt of a request for a derogation, the **TSO** shall confirm to the **Demand Facility Owner, Closed Distribution System Operator** or **DSO** whether the request is complete. If the **TSO** considers that the request is incomplete, the **Demand Facility Owner, Closed Distribution System Operator** or **DSO** shall submit the additional required information within one month from the receipt of the request for additional information. If the **Demand Facility Owner, Closed Distribution System Operator** or **DSO**, does not supply the requested information within that time limit, the request for derogation shall be deemed withdrawn.
- GC.9.4.3.4 The **TSO** shall assess the request for derogation and the provided cost-benefit analysis, taking into account the criteria determined by the **CRU** pursuant to GC.9.4.2
- GC.9.4.3.5 Within six months of receipt of a request for derogation, the **TSO** shall forward the request to the **CRU** and submit the assessment(s) prepared in accordance with GC.9.4.3.4. That period may be extended by one month where the **TSO** seeks further information from the **Demand Facility Owner, Closed Distribution System Operator** or **DSO**.
- GC.9.4.3.6 The **CRU** shall adopt a decision concerning any request for derogation within six months from the day after it receives the request. That time limit may be extended by three months before its expiry where the **CRU** requires further information from the **Demand Facility Owner, Closed Distribution System Operator** or **DSO**, or from any other interested parties. The additional period shall begin when the complete information has been received.
- GC.9.4.3.7 The **Demand Facility Owner, Closed Distribution System Operator** or **DSO** shall submit any additional information requested by the **CRU** within two months of such a request. If the **Demand Facility Owner, Closed Distribution System Operator** or **DSO** does not supply the requested information within that time limit, the request for derogation shall be deemed withdrawn unless, before its expiry:
- (a) the **CRU** decides to provide an extension; or
 - (b) the **Demand Facility Owner, Closed Distribution System Operator** or **DSO** informs the **CRU** by means of a reasoned submission that the request for a derogation is complete.



- GC.9.4.3.8 The **CRU** shall issue a reasoned decision concerning a request for derogation. Where the **CRU** grants a derogation, it shall specify its duration.
- GC.9.4.3.9 The **CRU** shall notify its decision to the relevant **Demand Facility Owner, Closed Distribution System Operator or DSO** and the **TSO**.
- GC.9.4.3.10 The **CRU** may revoke a decision granting a derogation if the circumstances and underlying reasons no longer apply or upon a reasoned recommendation of the European Commission or reasoned recommendation by ACER pursuant to GC.9.4.6.2.
- GC.9.4.4 Request for a Derogation by the TSO
- GC.9.4.4.1 The **TSO** may request derogations for classes of **Demand Facilities, Closed Distribution Systems or DSO(s)** connected or to be connected to their **Network**.
- GC.9.4.4.2 The **TSO** shall submit their requests for derogations, using form CNCD3, to the **CRU**. Each request for a derogation shall include:
- (a) identification of the **TSO**, and a contact person for any communications;
 - (b) a description of the **Demand Facilities, Closed Distribution Systems or Distribution Systems** for which a derogation is requested and the total installed capacity and number of **Demand Facilities, Closed Distribution Systems or Distribution Systems**;
 - (c) the **DCC Unit** clauses in the **Grid Code** for which a derogation is requested, with a detailed description of the requested derogation;
 - (d) detailed reasoning, with all relevant supporting documents;
 - (e) demonstration that the requested derogation would have no adverse effect on cross-border trade;
 - (f) a cost-benefit analysis.
- GC.9.4.4.3 The **CRU** shall adopt a decision concerning a request for derogation within six months from the day after it receives the request.
- GC.9.4.4.4 The six-month time limit referred to in GC.9.4.4.3 may, before its expiry, be extended by an additional three months where the **CRU** requests further information from the **TSO** requesting the derogation or from any other interested parties. That additional period shall run from the day following the date of receipt of the complete information.
- The **TSO** shall provide any additional information requested by the **CRU** within two months from the date of the request. If the **TSO** does not provide the requested additional information within that time limit, the request for derogation shall be deemed withdrawn unless, before expiry of the time limit:
- (a) the **CRU** decides to provide an extension; or
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- GC.9.4.4.5 The **CRU** shall issue a reasoned decision concerning a request for derogation. Where the **CRU** grants a derogation, it shall specify its duration.



- GC.9.4.4.6 The **CRU** shall notify its decision to the **TSO** and ACER.
- GC.9.4.4.7 The **CRU** may lay down further requirements concerning the preparation of requests for derogation by the **TSO**. In doing so, the **CRU** shall take into account the delineation between the transmission system and the distribution system at the national level and shall consult with the **DSO**, the **Closed Distribution System Operator**, **Demand Facilities Owners** and stakeholders, including manufacturers.
- GC.9.4.4.8 The **CRU** may revoke a decision granting a derogation if the circumstances and underlying reasons no longer apply or upon a reasoned recommendation of the European Commission or reasoned recommendation by ACER pursuant to GC.9.4.6.2
- GC.9.4.5 Register of Derogations
- GC.9.4.5.1 The **CRU** shall maintain a register of all derogations they have granted or refused and shall provide ACER with an updated and consolidated register at least once every six months, a copy of which shall be given to ENTSO for Electricity.
- GC.9.4.5.2 The register shall contain, in particular:
- (a) the requirement or requirements for which the derogation is granted or refused;
 - (b) the content of the derogation;
 - (c) the reasons for granting or refusing the derogation;
 - (d) the consequences resulting from granting the derogation.
- GC.9.4.6 Monitoring of Derogations
- GC.9.4.6.1 ACER shall monitor the procedure of granting derogations with the cooperation of the **CRU**. The **CRU** shall provide ACER with all the information necessary for that purpose.
- GC.9.4.6.2 ACER may issue a reasoned recommendation to the **CRU** to revoke a derogation due to a lack of justification. The European Commission may issue a reasoned recommendation to the **CRU** to revoke a derogation due to a lack of justification.
- GC.9.4.6.3 The European Commission may request ACER to report on the application of GC.9.4.6.1 and GC.9.4.6.2 and to provide reasons for requesting or not requesting derogations to be revoked.

Definitions

Demand Facility Owner	A person who owns a Demand Facility .
Closed Distribution Systems Operator	An entity which is responsible for, amongst other things, the planning, development, operation and maintenance of a Closed Distribution System .

Green-line Version of Impacted Grid Code Section(s) - show recommended final text:

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GC.9.4.6.3 The European Commission may request ACER to report on the application of GC.9.4.6.1 and GC.9.4.6.2 and to provide reasons for requesting or not requesting derogations to be revoked.