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Ireland

30/01/2020

Open Letter to Key Stakeholders Procuring and Connecting Demand to the Transmission System

Dear Customers,

Europe's electricity networks are currently operated according to national rules that govern the actions of operators and determine how access is given to users. The European Union is adopting a common set of rules, commonly known as Network Codes, which will enable electricity network operators, generators, suppliers and consumers to operate more effectively in the pan-European electricity market. The harmonisation of national rules will promote the efficient use of cross-border interconnection between countries and will provide a more secure and reliable electricity system with an increased level of renewable generation.

Over the past several years we, together with other members of ENTSO-E, have been working hard to develop the Network Codes. The final rules are proposed by the European Commission and adopted by the European Parliament before becoming binding European law.

The purpose of this particular letter is to ensure that **Demand Facility** owners are made aware of:

- (i) the implementation of the European Connection Network Codes (a subset of the Network Codes);
- (ii) the potential impact that the implementation of the European Connection Network Codes may have on them; and
- (iii) the obligation on all **Demand Facility** owners with connection agreements who have yet to connect to confirm whether or not they will have procured their main plant¹, or have a signed contract for the procurement of their main plant in place, by the relevant Date of National Implementation (see Table 1).

¹ Please refer to the European Connection Network Codes for a description of what is included under plant.

What are the European Connection Network Codes and to whom do they apply?

If you have connected or are planning to connect equipment to the Transmission System, you may be affected by the new requirements from the European Connection Network Code on Demand Connection (DCC). This will be based on whether a **Demand Facility** is classed as a **Non-DCC Unit** or a **DCC Unit**. Please refer to Table 1 below for additional details. Please note, the descriptions provided in Table 1 are provided for guidance as these terms will be refined further as the DCC requirements are incorporated to the Grid Code.

Non-DCC Units do not need to comply with the European Connection Network Code on Demand Connection.

DCC Units do need to comply with the requirements of the European Connection Network Code on Demand Connection.

Table 1: Working description of DCC terms

<p>Non-DCC Unit</p>	<p>A Demand Facility, Closed Distribution System or Distribution System with a signed Connection Agreement:</p> <ul style="list-style-type: none"> a. Connected to the Network on or before the 7th September 2019; or b. Whose owner has concluded a final and binding contract for the purchase of the main Plant on or before the 7th September 2019 and provides evidence of same, as acknowledged by the TSO, on or before the 7th March 2020. Such evidence shall at least contain the contract title, its date of signature and date of entry into force, and the specifications of the main Plant to be constructed, assembled, or purchased; or c. Is an exception to the applicability of the DCC Unit requirements and is a Non-DCC Unit such as a Pumped Storage Unit that has both generating and pumping operation mode. <p>An existing Demand Facility, Closed Distribution System or Distribution System that undergoes modernisation, refurbishment or replacement of equipment which drives a modification to its Connection Agreement, and has concluded a final and binding contract for the purchase of the Plant being modified after the 7th September 2019 will be deemed a DCC Unit, unless the Plant being modified is one of the exceptions listed in c) above.</p> <p>If an existing Demand Facility undergoes modernisation, refurbishment or replacement of equipment, part or all of the DCC requirements will apply to the appropriate item of Plant or Apparatus.</p> <p>If an existing Closed Distribution System or Distribution System undergoes modernisation, refurbishment or replacement of equipment,</p>
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	part or all of the DCC requirements will apply to the appropriate item of Plant or Apparatus at the Facility .
DCC Unit	A Demand Facility, Closed Distribution System or Distribution System that is not a Non-DCC Unit . A Pumped Storage Unit which only operates as Pumped Storage Plant Demand , and does not meet Non-DCC Unit criteria, is classified as a DCC Unit .
Demand Facility	A facility which consumes electrical energy and is connected at one or more Connection Points to the Transmission System . The Distribution System and/or auxiliary supplies of a Generation Unit do not constitute a Demand Facility .

How do I confirm that I am a Non-DCC Unit and do not need to comply with DCC?

A **Demand Facility** connected after the 7th September 2019, and described under part b) of the **Non-DCC Unit** description in Table 1, must provide an affidavit certifying the signing of their procurement contract to EirGrid no later than the 7th March 2020. As noted in the **Non-DCC Unit** description, the procurement contract must have concluded at least six months prior to this (7th September 2019).

The affidavit should be provided to contractmanagement2@eirgrid.com and must include the following as a minimum:

- (i) The contract title for the main plant;
- (ii) Date of signature of the procurement contract for the main plant;
- (iii) The date of entry into force for the procurement contract for the main plant;
- (iv) The technical specification applicable to the procurement contract for the main plant.

We also request that you post a copy to the address included on page 1 of this letter. We will acknowledge receipt, and contact you if we require more information.

If you have provided the correct information within the deadlines described above you will not be affected by the DCC European Connection Network Code, unless you substantially modify your equipment in the future.

If evidence is not provided for a **Demand Facility** as requested above, it will be deemed to be a **DCC Unit**. The **Demand Facility** will then have to comply with the DCC European Connection Network Code.

Further Information

- The European Connection Network Codes are part of the wider Network Codes being implemented throughout Europe.
- The Connection Agreement, the TUoS Agreements, and any other documents deemed appropriate shall be updated to reflect these changes, as required.

Should you have any questions regarding the specifics of the European Connection Network Codes or the wider Network Codes, please e-mail info@eirgrid.com.

Yours sincerely
EirGrid Plc.