Applicability of the Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (RfG) to technologies after May 2018
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1. Introduction

1.1. Commission for Regulation of Utilities

The Commission for Regulation of Utilities (CRU) is Ireland's independent energy and water regulator. The CRU's mission is to regulate water, energy and energy safety in the public interest. Further information on the CRU’s role and relevant legislation can be found in here.

2. Background of RfG Network Code and legal context

2.1. RfG Requirements

The Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (RfG NC), which comes from the Third Energy Package, sets out the technical rules relating to the connection of, principally, new generating installations to national networks.

The RfG NC comes into full force in May 2019. It is not proposed to be retrospective in its application; i.e. RfG requirements will not apply to existing technologies already connected to the grid, but only to newly connected technologies. However, the RfG also requires that for all technologies (or developers of generation stations – e.g. solar, wind, CCGT etc) that have not concluded a final and binding contract for the purchase of the main generating plant before two years after the entry into force of the Regulation, i.e. May 2018, full compliance with all technical standards outlined in the RfG is required.

This essentially means that a power-generating facility owner that has not procured plant by May 2018 and plans to connect generation to either the transmission or distribution electricity network is deemed “new” must comply with the requirements of the code in full, in advance of the go-live of the RfG Code, i.e. May 2019.

2.2. Requirements of General Application in accordance with Article 7 of RfG

In accordance with article 7 of the RfG NC, the relevant system operator or TSO shall submit a proposal for requirements of general application, or the methodology used to calculate or establish them, for approval by the competent entity within two years of entry into force of this Regulation, i.e. by 5 May 2018.

The Irish TSO and DSO, EirGrid and ESBN respectively, have actively engaged, consulted upon, developed and submitted a proposal for requirements of general application, which focused on the non-mandatory and non-exhaustive parameters of the RfG for application in Ireland. The final
proposal submitted to the CRU on 16 May 2018¹, covers a range of standards that generators have to comply with to successfully connect generation to the grid network. Some of these standards consulted upon are in line with existing Grid Code requirements and some are new. In accordance with the RfG code, the CRU has six months to issue a decision on the RfG parameters proposed by the TSO and DSO i.e. by 16 November 2016. The CRU intends to issue its Decision on the RfG parameters by 1st Nov at the latest.

2.3. Mismatch of dates issue

Considering sections 2.1 and 2.2, there is a mismatch between the date from when new power-generating modules facility owners are considered “new”, i.e. May 2018 (known as the “existing classification” date) and the date by which CRU shall make a decision on the RfG proposal, i.e. by November 2018.

2.4. CRU request to DCCAE to resolve timing issue

There has been an extensive engagement phase with other European Member States as the mismatch of dates issue has created confusion in several countries who have not yet finalised the technical standards for their respective grid networks in advance of May 2018.

When examining the issue, the CRU considered that there was a facility within the code that could allow a pragmatic solution to this issue. As outlined in Article 4 (2), “a Member State may provide that in specified circumstances the regulatory authority may determine whether the power-generating module is to be considered an existing power-generating module or a new power-generating module”.

This facility could be utilised by the CRU, after direction or request from the Department of Communication Climate Action and Environment (DCCAE), to extend the “existing classification” date in order to deal with the mismatch of dates as explained above.

The CRU proposed that DCCAE extend the current classification date, i.e. May 2018, to 30 November 2018, i.e. 30 days after the CRU expected approval of the RfG Parameters in accordance with Art. 7 of RfG.

The rationale behind the CRU proposal for extension to 30 November was that:

- As mentioned above, the CRU expects to issue approval of RfG proposal by 1 November 2018 (regardless of 16 November 2018 deadline).

¹ The proposal can be found here.
- By issuing a decision at the latest by 1 November, generation developers will have at least 30 days' notice of the application of the new standards in advance of full compliance requirements.
- Under the CRU Electricity Connection Policy (ECP), the first connection offers will be issued at the end of this year. It would be appropriate to align the new connection offers under ECP with the applicability of RfG, ensuring that newly connecting parties will be fully compliant with the RfG from the outset.

3. Final DCCAE position and CRU extension of classification date

After consultation, the CRU received a letter from the Department of Communications, Climate Action and Environment, stating its agreement to provide for the Commission for Regulation of Utilities to extend the existing classification date for existing power generating module until 30 November 2018.

Therefore, the CRU has extended the existing classification date so that power generation developers that purchase generation technologies after the 30 November 2018 will have to comply with the parameters set out in the RfG in full, whereas technologies purchased in advance of 30 November 2018 will be deemed as existing and will not be obliged to comply with the Code.

4. Next Steps

The CRU will issue its Decision on the RfG parameters proposed by the TSO and DSO at the latest by 1 November 2018. This will contain decisions on the proposals submitted by EirGrid and ESBN in relation to the non-mandatory and non-exhaustive parameters contained within the requirements of the RfG Network Code. Full visibility of the entire requirements of the RfG will be made available through Grid Code and Distribution Code updates in due course.

If you have any queries regarding the information contained within this paper, please contact mcloonan@cru.ie