All interested parties,  
Stakeholders in Ireland and beyond,  
and other regulatory bodies

Date: 13/06/2019

To whom it may concern

Extension of “existing classification” date as set out in Article. 4 (2) of the Network Code on Demand Connection (DCC) EU Regulation 2016/1388

On 12 February 2019, the Commission for Regulation of Utilities (CRU) requested the Department of Communications, Climate Action and Environment (DCCAE) to utilise the facility outlined in article 4 (2) of the DCC and direct or request the CRU to conduct an extension of the “existing classification” date.

This letter sets out the background to CRU’s decision to request an extension, the DCCAE’s decision on this request and next steps.

Background

The DCC is required to be fully implemented in all Member States on the 7th September 2019. It applies to new transmission connected demand facilities, new transmission connected distribution systems, new distribution systems, including closed distribution systems and new demand units utilised to provide demand response services to a relevant system operator. It is not retrospective in its application; i.e. DCC requirements will not apply to existing demand facilities or distribution systems already connected to the transmission network, unless a justifiable case for this has been proposed, consulted upon and decided at national level.

However, the DCC requires full compliance for all demand facility owners that have not concluded a binding contract for the purchase of the main equipment by 7th September 2018 (24 months after the entry into force of the Regulation) and notified to the Transmission System Operator (TSO) or Distribution System Operator (DSO) of the contracted equipment by the 7th March 2019. This essentially means that a demand connection developer that has not fully procured plant by the 7th September 2018 is deemed “new” and has to comply with the requirements of the code in full, in advance of the actual go-live of the DCC Code. This has created confusion in several member states, who have not yet finalised the technical standards for their respective grid networks.
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 DCC for application in Ireland. The final proposal submitted to the CRU on 20th September 2018, covers a range of standards that demand connections must comply with to successfully connect to the grid network. Some of these standards consulted upon are in line with existing Grid and Distribution Code requirements and some are new.

Mismatch of dates

Considering the above, there is a mismatch between the date from when new demand connection facility owners are considered “new”, i.e. 7th September 2018 (known as the “existing classification” date) and the final submission of the proposed General Technical Parameters to the CRU. Additionally, the CRU in its review of the proposals has engaged intensively with EirGrid and ESBN, and intends to issue a decision on the proposals submitted shortly. Pending the upcoming CRU decision on these parameters if the DCC compliance was implemented in line with the text of the code, demand connection owners would be asked to comply with technical standards that are not yet decided upon.

In recognition of the fact that the original deadline for the CRU to issue its decision (i.e. by 20th March 2019) has now passed (given the ongoing discussions on a small number of technical parameters) the CRU believes it is necessary to precede the main decision with this clarification on the extension of the existing deadline.

Decision

Due to this mismatch of dates outlined above the CRU requested the DCCAE to utilise the facility outlined in article 4 (2) of the DCC and direct or request the CRU to conduct an extension of the “existing classification” date. The DCCAE has reviewed the issue and considers it appropriate to extend the classification date for existing demand facilities. The CRU accordingly considers that the “existing classification” date should be extended to 7th September 2019. For any developer that has concluded a final and binding contract for demand plant in advance of the 7th September 2019, and can demonstrate as such to the relevant system operator, will be considered as existing and will not be obliged to comply with the requirements of the DCC Code.

Next Steps

In accordance with the above decision, the “existing classification” date will be extended to 7th September 2019. If you have any queries regarding the information contained within this letter, please contact Mo Cloonan at mcloonan@crui.e.
Yours sincerely,

John Melvin
Director Energy Markets