

**Brussels, 23 January 2015**

## **Orgalime response to the Public Consultation of ACER and ENTSO-E on “Role of stakeholders in the implementation of network codes and related guidelines, and in particular the establishment of European Stakeholder Committees for the implementation of network codes”**

Orgalime, the European Engineering Industries Association, speaks for the industry that supplies conventional and new technologies throughout the entire energy value chain, from generation, transmission, distribution to end use, while our industry depends on reliable and continuous access and availability of energy at cost-reflective and efficient prices for its own manufacturing processes in Europe.

Our industry therefore supports the development and implementation of network codes and related guidelines that secure grid stability/system security, continuity and quality of the service of the power system, including for the participation of demand side resources. Demand Side Flexibility bears significant potentials for increasing the overall efficiency of the EU energy system, integrating an ever higher share of Renewable Energy Sources and for realising cost savings for private and industrial consumers. It should therefore be particularly supported in the development and implementation of network codes. A business case rewarding the end-user for the service that he is offering to the grids should be pursued, while a centralised, mandatory shut on/off for appliances should be avoided in the finally approved codes.

Overall, we support network codes that strive for a fully completed, interconnected, consumer centric future energy market in the future that enable consumers to achieve better control of their energy costs, consumption and increase its overall autonomy through the combination of decentralised energy generation, with energy management systems and smart appliances.

We welcome the possibility to comment on the establishment of European Stakeholder Committees for the implementation of the different network codes and on the role of stakeholders in the implementation of network codes and related guidelines, and provide the following views on the ACER and ENTSO-E Consultation Document:

- We generally appreciate ACER’s and ENTSO-E’s proposal to establish Stakeholder Committees for the implementation of the different network codes, allowing stakeholders to express their opinions, share good practices and exchange information.
- Such committees and project-specific expert groups should be inclusive, and also involve technology manufacturers that provide innovation to the power system. Orgalime recommends that ACER and ENTSO-E should liaise with European Engineering Industries grouped in our organisation when establishing the stakeholder committees.

*Orgalime, the European Engineering Industries Association, speaks for 41 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10 million people in the EU and in 2013 accounted for more than €1,700 billion of annual output. The industry accounts for over a quarter of manufacturing output and a third of the manufactured exports of the European Union.*

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As the preparatory phase of the various network codes has shown, manufacturers as the key providers of enabling technologies in the electricity sector play a particular role in many aspects of network codes' developments and subsequent implementation. We would welcome more acknowledgment for these proactive contributions of the sector in the introductory paragraph of the Consultation Document.

- Orgalime recommends that these Committees should be designed to bring tangible results. The Consultation Document at this stage remains rather vague on the concrete deliverables of the stakeholder committees. We encourage ACER and ENTSO-E to define clearly the final deliverables and targets of the stakeholder committees, for example in their Terms of Reference. We wish to stress that:
  - Building the single electricity market in Europe will in our view require coordinated efforts, and the establishment of a new European stakeholder committee should support steps in that direction. Therefore, Orgalime remarks that the European internal energy market as well as the Energy Union can only be effective provided that network codes and related guidelines are implemented in as harmonised a way as possible. Striving for as much harmonisation as possible should in our view be a deliverable of the envisaged new committees, including benchmarking operational conditions towards the EU single electricity market.
  - Orgalime has repeatedly pointed at the risk of contradictions of network codes with existing European and International standards. We also addressed the fact that network codes should not hinder fair market uptake of demand response, especially considering the positive contribution this makes to security of supply. We strongly advocate against that the implementation of network codes which would hamper interoperability or may lead to limited competition and which lead to delays in deployment of smart grids technologies. This aspect should be equally on the radar of the new Committees and expert groups.
- The proposed structure of creating three permanent European Stakeholder Committees (one per family of codes – Market codes, Operational Codes and Connection codes) is useful but must lead to effective and targeted discussions towards a harmonized implementation of network codes and related guidelines.

In conclusion, Orgalime supports improving the current level of exchange with stakeholders on network codes and related guideline and asks for tangible results and the inclusion of representative stakeholder groups, such as the European Engineering Industry in the new Committees and expert groups.

We remain available for further information and thank you in advance for taking due account of these comments.

