

By email to: [feedback@acer.europa.eu](mailto:feedback@acer.europa.eu)

Response from:

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## **ELEXON LTD'S RESPONSE TO ACER'S INVITATION TO COMMENT ON THE ACER DRAFT 2017 WORK PROGRAMME**

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Dear Sir/Madam,

We welcome the opportunity to respond to your invitation to comment on the ACER 'Draft Outline of the 2017 Work Programme'.

The views expressed in this response are those of ELEXON Limited alone, and do not seek to represent those of the Parties to the British Balancing and Settlement Code, which we administer.

In those areas which relate directly to our core business, i.e. the settlement of electricity balancing trades and imbalances in Great Britain, we agree, given ACER's legal mandate, with the general themes of the ACER draft Work Programme 2017, specifically regarding the engagement with stakeholders; and changes to Network Codes.

However, we note that ACER is required to produce its Work Programme exceptionally early (almost a full year ahead) and without knowledge of the final budget and resources that will be available to ACER. This makes planning difficult for ACER, particularly when major policy areas that may impact the Work Programme, such as the Energy Union, are still under development. We would support, if legally possible, the ability for ACER to re-plan nearer to the start of 2017, again with full stakeholder engagement.

We have specific views on the following areas in the draft outline Annual Work Programme (AWP):

- Stakeholder Engagement
- Amendments to Network Codes
- Implementation Timescales.

### **Stakeholder Engagement**

We fully support the commitment set out in ACER's AWP for 2017 to engage with stakeholders in an open and transparent manner. This is a key aspect for all European bodies to consider, particularly for those with a key role in the development and implementation of electricity Network Codes such as ACER and ENTSO-E, and so the time and resources needed for this should not be under-estimated.

On a related point, we note that many face-to-face stakeholder meetings are only open to representatives of European stakeholder associations. While we understand the reasons for this (the sheer number of individual European stakeholders for a start), we note that European associations work by consensus, so important minority views may not be heard by ACER in these meetings.

The European associations do an extremely valuable job and we recognise that they make the tasks of ACER and ENTSO-E easier when these bodies are developing the Network Codes, through bringing together many common views under one banner. On the other hand, public consultations and open

public workshops may be the only opportunity for individual stakeholders to make their views heard, particularly if they do not have the resources, desire or eligibility to join a European association.

This makes the open stakeholder meetings and the open public consultations all the more important and we would encourage ACER to continue with these as an essential engagement and feedback mechanism, in addition to face-to-face meetings with European associations.

### Amendments to Network Codes

We fully support your proposed action to review requests for amendments to the adopted Network Codes and Guidelines. This is an area that could become more and more important and again the resources and time needed for this should not be underestimated.

Our own long experience (over 25 years) of introducing major revolutionary change in electricity markets suggests that urgent changes can be required, particularly in the early days of new trading arrangements, when unforeseen events and consequences can occur.

Therefore time and resources should be given by ACER to developing and consulting on an ongoing change process that can be used from the entry into force of each Network Code. The greater the level of detail the more important and responsive this change process needs to be. For that reason, we think ACER should also plan to devote time and resource to consideration of the change process for the methodologies and other subsidiary requirements developed from the Network Codes, as well as for the Network Codes. This change process could be as important as the change process for the Network Codes themselves.

### Implementation Timescales

We note that ACER is planning to undertake a review of the REMIT operations and rule book in the light of data collection experience during 2016.

We believe it is right and proper to periodically review European legislation in the light of the actual experience of its operation. However, we would ask that ACER considers implementation timescales carefully when suggesting any further change to European market arrangements, be that REMIT or more generally, e.g. to operations under the Network Codes.

The value of live operational experience is key to informing both ACER and stakeholders of future changes that might be desirable, but is greatly diminished if the situation on the ground is that the stakeholders have not been given realistic timescales to implement the original requirements and so there is little operational experience on which to base any further change, or worse the original change is not yet implemented. There is clearly a balance to be struck here, because equally we recognise that individual stakeholders should not be permitted to slow the process of change, particularly when that change is agreed to be to the overall benefit of the European consumers. However, it is important that policy desires do not run too far ahead of what is truly practical.

### In conclusion

I hope that these comments are helpful. If you would like to discuss this further, please do not hesitate to contact me on +44 20 73 80 42 53, or by email at [steve.wilkin@elexon.co.uk](mailto:steve.wilkin@elexon.co.uk).

Yours faithfully



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