

# ***EU NETWORK CODES AND GUIDELINES***

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# Agenda



- Introductory information
- Overview of EU network codes and guidelines
- Transposition into the Energy Community *acquis*
- Codes and guidelines for network operation in BIH
- SERC Decision on transposition of codes (Phase 1)
- Activities of SERC and ISO BIH (Phase 2)
  - Rules on Connection Network Codes, Network Code
- Criteria for granting derogations (Phase 3)
- New Network Code (Phase 4)
- Other activities
  - Methodology, Market Rules
- Next steps

# EU Network Codes and Guidelines – Introductory Information



- Harmonization and unambiguous regulation of set of rules for network operation (electricity and gas)
- Part of the Third EU Energy Package  
*(Establishment of codes and guidelines is regulated by art. 6 of Regulation 714/2009 and Regulation 715/2009)*
- Codes and guidelines were adopted by European Commission in accordance with approval of European Parliament and the Council, with full involvement of ENTSO-E, ENTSO-G, Agency for the Cooperation of Energy Regulators (ACER) and EU Member States (MS)
- Legally binding acts, directly applicable in EU MS

# EU Network Codes and Guidelines – Electricity

## Market Codes

- Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (**CACM**)
- Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (**FCA**)
- Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (**EB**)

## System Operation Codes

- Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (**SO**)
- Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (**ER**)

## Connection Codes

- Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection (**DCC**)
- Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (**RfG**)
- Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules (**HVDC**)

# EU Network Codes and Guidelines – Energy Community



- On 12 January 2018 PHLG, in accordance with approval of the Ministerial Council of EnC, adopted:
  - Decision 2018/03/PHLG-EnC on incorporating Commission Regulation (EU) 2016/631 (RfG)
  - Decision 2018/04/PHLG-EnC on incorporating Commission Regulation (EU) 2016/1447 (HVDC)
  - Decision 2018/05/PHLG-EnC on incorporating Commission Regulation (EU) 2016/1388 (DCC)
- Regulations adapted to the EnC legal framework
- Deadlines for EnC Contracting Parties
  - Transposition – 12 July 2018
  - Implementation – 12 July 2021  
*(shortened deadline for implementation of some provisions)*

# EU Network Codes and Guidelines – Bosnia and Herzegovina



- On 21 February 2018 Ministry of Foreign Trade and Economic Relations of BIH notified SERC and ISO BIH on the PHLG Decisions in a letter
- SERC and ISO BIH invited to proceed in accordance with their respective competences
- The need of explicit transposition of rules and obligations into national legislation, without any structural or textual changes, is emphasized

*ISO BIH: Network Code from July 2018 contained a significant number of technical requirements from the EU network codes and guidelines (result of the membership in ENTSO-E)*

# Decision on Transposition of Codes – SERC (Phase 1)



- Decision on Transposition of Network Codes on Connection – 12 June 2018
  - Defined the methods and deadlines for transposition
  - Regulations adapted to the EnC legal framework published in languages in official use in BIH ([www.derk.ba](http://www.derk.ba))
  - ISO BIH tasked
    - to immediately submit the Network Code and update the rules that ensure implementation of sections that have shorter implementation deadlines
    - to deliver relevant rules aligned with other requirements from regulations, within four months
  - FERC, RERS and other competent bodies invited to ensure alignment of their respective acts with the requirements of the Regulations

# Network Codes on Connection (Phase 2)<sub>1/2</sub>



- Coordinated approach of SERC and ISO BIH
  - Meetings on expert level (SERC and ISO BIH + MoFTER BIH)
- Harmonized drafts prepared
  - Rules on Connections Network Codes
    - Transposition of part of the codes under SERC competences, that need to be implemented without delay
  - Network Code
    - Transposition of part of the codes under ISO BIH competences, that need to be implemented without delay



# Network Codes on Connection (Phase 2)<sub>2/2</sub>



- **SERC: Rules on Connection Network Codes**
  - Draft Rules prepared on 18 December 2018
  - General public hearing held on 17 January 2019
  - Rules adopted on 27 February 2019
- **ISO BIH: Network Code**
  - Development of Draft Network Code
  - Activities of the Technical Committee
  - Supervisory Board of ISO BIH adopted the Network Code on 11 January 2019
  - SERC approved the Network Code on 27 February 2019

# Criteria for Granting Derogations (Phase 3)<sub>1/2</sub>



- Decisions specifying criteria for granting derogations – 27 March 2019  
*(Consultations held with competent system operators, producers, customers etc. on draft decisions that were prepared on 14 March 2019)*
  - Decision specifying Criteria for granting derogations for generating modules
  - Decision specifying Criteria for granting derogations for demand facilities, and
  - Decision specifying Criteria for granting derogations for high-voltage direct current systems and direct-current connected power park modules
- Decisions and criteria published on [www.derk.ba](http://www.derk.ba)  
*(part of EES BIH, section: Rules and Codes)*

# Criteria for Granting Derogations (Phase 3)<sub>2/2</sub>



- MoFTER BIH and the Energy Community Secretariat informed on the implemented activities on 10 April 2019
- From the Annual Implementation Report of the EnC Secretariat (Vienna, 1 November 2019):  
*“SERC ranks amongst those regulators that partly transposed the Network Code Regulations within the limits of its competences and is the only regulator that adopted exemption criteria, as foreseen by the Codes.”*

# New Network Code (Phase 4)



- **New Network Code**
  - Development of the Draft Network Code
  - Activities of the Technical Committee
  - Supervisory Board of ISO BIH adopted the Network Code on 19 November 2021
  - ISO BIH: updated text implemented all requirements of the network codes on connection
  - SERC approved the Network Code on 15 December 2021
  - Implemented as of 1 January 2022

# Other Activities Related to the Network Codes and Guidelines



- Other activities that follow from membership of ISO BIH in ENTSO-E, regarding the:
  - Operational work in synchronous area (SO, i.e. Commission Regulation (EU) 2017/1485)
  - Balancing mechanism (EB, i.e. Commission Regulation (EU) 2017/2195)
- Coordinated approach of SERC and ISO BIH
  - In a transparent and public procedure, prepared harmonized documents, decisions made on 13 October 2021
- Decision on Amendments to the Tariff Pricing Methodology for Services of Electricity Transmission, Independent System Operator and Ancillary Services
- Decision on Approval and Application of Market Rules, implemented as of 1 January 2022

# Next Steps<sub>1/2</sub>



- USAID EPA: Working Group for drafting Recommendations for Amendment of the Distribution Network Code (Working Group for Network Codes)
  - July 2021 – Gap analysis with the recommendations for amending distribution network codes and relevant rulebooks – Summary Overview
- In the future, the PHLG is expected to make decisions to incorporate the remaining five network codes and guidelines into the *acquis* of the European Community (three market codes and two system operation codes)

## Next Steps<sub>2/2</sub>



- Ensure harmonization in operation of all competent institutions, including Entity regulatory commissions and all distribution system operators, in addition to the ISO BIH and Elektroprijenos BIH (Transmission Company)
- Complexity of contents and administrative structure require active involvement of the State and Entity ministries, as well as the involvement of the Directorate for European Integrations of the Council of Ministers of BIH





***Thank you for your attention!***

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