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Dear Mr Pototschnig, dear Alberto,

31 March 2015

### **Final Network Code on Emergency and Restoration**

I am pleased to provide you enclosed with this letter ENTSO-E's final Network Code on Emergency and Restoration (NC ER) and the accompanying Supporting Document with the context and rationale behind ENTSO-E's decisions in finalising the NC ER in its present form.

The NC ER has been developed by ENTSO-E in close interaction with stakeholders and DSOs following the European Commission's invitation letter of 1 April 2014, which set a deadline of 1 April 2015 for the delivery of the code to ACER. The NC ER covers the common requirements and principles to manage emergency, blackout and restoration system states applicable to TSOs, DSOs, closed distribution networks, significant grid users and service providers. The NC ER was developed according to the principles defined in the ACER Framework Guidelines on Electricity System Operation of 2 December 2011. The NC ER was approved by ENTSO-E on 25 March 2015.

We would like also to inform you that, taking into account the discussions with stakeholders, ENTSO-E focused on the integration of demand side response as another market participant on equitable and transparent terms with generation and storage. To this end, the draft code introduces the concept of 'service provision' in defence and restoration plans; making the voluntary participation of households - through aggregators - in these plans the default solution across Europe. In addition, the code was strengthened with respect to the coordination between TSOs and other actors for the design and activation of the measures provided by this network code. The code also provides ambitious new low frequency demand disconnection scheme requirements for the heavily meshed network of Continental Europe to facilitate the integration of RES.

We would like to thank the colleagues from ACER and National Regulatory Authorities for the positive collaboration throughout the NC ER development. We welcome the discussions and reviews that have taken place to facilitate our understanding of ACER's and NRAs' concerns. A series of productive and fruitful meetings have allowed us to explore those concerns in detail and elaborate the ways to tackle them accordingly. As such we are confident that the NC ER is in line with the ACER Framework Guidelines on Electricity System Operation.

ENTSO-E is confident that the NC ER is the last major element of the operational codes package. Together with the NC OS, OPS and LFCR, this completed package gives a necessary set of rules required to ensure operational security of the interconnected electric power systems of Europe in all system states, thus allowing the completion of a competitive European internal electricity market.

We consider it important to continue to work closely with ACER and NRA colleagues during the period in which ACER is forming its reasoned opinion. In this frame, we suggest to schedule meetings as soon as possible. We would like to highlight that now that all operational codes are drafted, we should discuss further and seek opportunities to make the links between the various codes more robust. In particular some interactions between operational and market terms and conditions in different codes will need our attention in trilateral meetings.

Yours sincerely,



Konstantin Staschus, Ph.D.  
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