

Public consultation

Risk preparedness

in the area of security of electricity supply

CEDEC answer – 7 October 2015

1. Whilst Directive 89/2005 imposes a general obligation on Member States to ensure a high level of security of supply, the Directive does not specify what measures Member States should take to prevent risks. Would there be an added value in requiring Member States to draw up a plan identifying relevant risks and preventive measures to respond to such risks (risk preparedness plans)?

Indeed, CEDEC would see an added value in Member States drawing up risk preparedness plans, outlining the procedures for emergency situations. The energy industry should be committed to support security of supply, which is an important backbone for safety, quality of life and of economic prosperity in Europe. Emergency plans for electricity supply interruptions of any type, are therefore an important tool to guarantee stability of supply, allocating clear roles and responsibilities and protocols to actors, limiting delayed or adverse reactions.

2. If yes, what should be the minimum requirements such risk preparedness plans should comply with? For instance, should they:

a. explain the various types of risks?

Yes, the plans should define several possible risks and outline the adequate procedures for each one, such as fuel supply interruptions, unforeseen power plants shut downs, network problems, weather-caused risks, etc.

b. identify the demand side measures Member States plan to take (e.g., use of interruptible contracts, voluntary load shedding, increased efficiency, energy savings)?

Yes, the demand-side is crucial to be assessed, it needs to be clarified which demand sources are flexible and which are not: Some demand centers, like hospitals and specific industrial processes, depend on steady and continuous electricity supply while others display more flexibility – and of which some already have interruptible contracts for (part of) its demand. It is indicated that this assessment is clearly stated and taken into consideration in emergency situations.

c. identify the supply side measures Member States plan to take (e.g., increased production flexibility, increased import flexibility)?

Equally, all supply sources and their characteristics (variable or not) must be assessed in the risk preparedness plans.

d. assess the expected impact of existing and future interconnections?

Yes, the level of interconnections can be crucial for security of electricity supply. Supply interruptions in one Member State can for example be balanced out by capacities in the neighboring country, provided sufficient interconnection capacity is in place. The current and future interconnection level should therefore be part of the risk preparedness plans.

e. identify roles and responsibilities?

A quick and reliable information chain is crucial in case of security of electricity supply risks. Hence, a clear allocation of roles and responsibilities of all involved parties is indispensable in risk preparedness plans. Who informs whom, within which time frames and what information will be exchanged, needs to be set out in unambiguous protocols in order to prevent gaps and overlaps in emergency situations and ensure a timely and adequate reaction by all players.

f. identify how Member States co-operate or intend to co-operate amongst each other to identify, assess and mitigate risks?

Yes, in times of integrating energy markets, it is essential for Member States to coordinate the identification, assessment and prevention of risks. In case of security of electricity supply risks, the effects will in many cases be cross-border and therefore, neighbouring countries should be well informed and if necessary engaged in the emergency strategies.

3. Do you think that it would be useful to establish a common template for risk preparedness plans?

Yes, a common template would facilitate the coordination among Member States and ensure that Member States evaluate all necessary elements and factors in their plans.

On the other hand, risk preparedness plans should definitely take into account and/or build on the experiences of already existing emergency plans that Member States already have in place.

4. Given that electricity markets are increasingly interlinked, should risk preparedness plans be prepared at the national, regional or EU level?

Due to the increased interlinked markets, risk preparedness plans should have a strong regional component, as electricity supply interruptions will increasingly have effects beyond national borders. However, a bottom-up approach seems the way to go, starting at the national level, detailing all MS specific elements, and then looking at the cross-border issues on regional level.

5. Do you see a role for the Commission in assessing these plans? Would you see an added value of having the plans peer reviewed, at a regional or EU level? What role do you see in this context for the Electricity Coordination Group?

Assessment of the plans should in the first place be done on National level, however the cross-border aspects regarding the interconnection can be assessed on EU level.

6. What level of transparency should be given to the plans? Who should be informed of what?

All stakeholders affected, especially system operators (TSOs and DSOs) but also (larger) generators, suppliers and large consumers should be informed about the risk preparedness plans. It is crucial that their internal processes are adapted to enable a fast reaction in case of any risky situations.

With growing numbers of distributed generators maybe not all small-scale generators will need to be informed and prepared for an active role in case of an emergency.

It is however important to find the right scale (detail) of information for all actors, but this could be organized on regional or local level, depending on the structure of the energy system.

7. How often should risk preparedness plans be made / be updated? What are the relevant time frames to be covered?

Due to the fast evolution of energy sectors with increasing shares of distributed energy sources, the level of grid enhancement and decommissioning of conventional power plants, a regular update of the plans needs to be foreseen. A period of maximum 3 years seems indicated in this regard.

8. Given the challenges that DSOs are facing (e.g. integration of renewables, more decentralised systems), should DSOs take an active participation in the assessment of the risks and preparation of the risk preparedness plans? If yes, do you see the need for separate assessments and separate risk plans at the DSO levels? Or do you believe it is more appropriate to ensure an active participation of DSOs in risk assessments and risk preparedness plans covering the entire electricity system?

DSOs are becoming ever-more active system managers, with increasing shares of distributed energy sources (supply and demand) being connected to their network. Their engagement in the assessment

and drafting of risk preparedness plan is therefore inevitable. 97% of all renewable energy sources are connected to the distribution grids. As many of these installations are variable, the management of distribution networks becomes increasingly challenging. Due to the changing dynamics in the grids, DSOs have been adapting their grid management and are acquiring new tasks. Due to the now bidirectional energy flows, also the relationship with the TSOs is evolving, as much more exchange and coordination between networks levels is needed. Hence, it is of utmost importance that DSOs are involved in the risk preparedness plans.

DSOs do not need separate risk preparedness plans if the risks regarding security of supply on the distribution level are adequately integrated in the plans on national level, through an active participation of DSO's. It must be avoided that too many risk preparedness plans exist and that all have to be coordinated and integrated on national level. This will, in case of MS with a large number of DSOs, be a very challenging and time consuming exercise and may potentially create additional risks.

9. Ensuring cybersecurity is an increasingly important aspect of security of supply. What measures should Member States take to protect themselves against possible cyber-attacks or other cyber-related threats? Do you see the need for specific EU rules on cyber security, targeted to the energy field? Given the cross-border nature of cyber security risks, what scope is there for enhancing co-operation (for instance through the exchange of best practices)?

The DPIA (Data Protection Impact Assessment) template that has been developed in the framework of the Task force Smart Grids, is currently being tested in several MS. The results could constitute a good basis for the future exchange of best practices in this field.

10. Currently, it appears that in some Member States, detailed emergency plans exist, whereas in others, there are only very summary emergency plans. Should there be an obligation for all Member States to plan for crisis situations, e.g., by including relevant rules and measures in the overall risk preparedness plans?

Yes, there should be an obligation of emergency plans, as Impediments to security of electricity supply can have implications across national borders and affect energy consumers in neighboring countries. Therefore, every Member States should be prepared for these situations and coordinate these plans with at least their neighboring countries.

11. If yes, what should be the minimum requirements to be included? For instance, should Member States be required to:

- a. Identify actions and measures to be taken in emergency situations (market and non-market-based)?**
- b. Set out the conditions for suspension of market activities?**
- c. Identify categories of 'protected customers' which, in case of a crisis, should not be subject to a disconnection measure (or only be disconnected by way of a last resort)?**
- d. Establish rules for cost compensation?**
- e. Indicate how they intend to co-operate with other Member States?**
- f. Reflect any other issues in their plans?**

All of the above-mentioned minimum requirements should be included and addressed in the plans. Especially the switch from market-based to non-market based measures needs to be clearly defined. In situations of severe threat of grid instability for example, DSOs need to have the means to interfere in market processes to prevent outages and other distortions to security of supply.

As for the identification of 'protected consumers', room should be left to MS, in line with their national policy on consumer protection.

12. In relation to risk preparedness, how do you see the roles and responsibilities of:

- **national governments**
- **national regulators**
- **TSO's**
- **DSO's**
- **European bodies such as ENTSO-E, ACER, and the Electricity Coordination Group?**
- **European Commission**
- **other stakeholders, such as consumers?**

DSOs assess the risks and protocols in case of security of supply distortions on their network level for the plans. As system operators and data managers in most Member States they are best placed to assess the risks at distribution level and identify adequate actions for emergency cases. Due to their central role in the distribution systems, DSOs are also best placed to communicate with other stakeholders, such as generators, TSOs and consumers in these situations.



TSOs, doing the same for the transmission level, should work in close coordination with the DSOs.

National regulators should oversee the process and coordinate where necessary the inputs of all stakeholders in the preparation of risk preparedness plans.

13. Given the fact that many actors are concerned by security of supply issues, would you see an added value in the designation by each Member State of a 'Competent Authority', responsible for coordinating security of electricity supply issues at national level?

There should certainly be one focal point in each Member State for these plans especially for the coordination with neighboring countries. If this authority is a new or an existing one, like the national regulator or the energy (or other) ministry, this should be left to Member States, in line with their administrative set-up.

14. If it is decided to strengthen regional co-operation on a more structural basis between various players (e.g., when drawing up risk preparedness plans), how should regions best be defined?

Regions should be defined according to the physical interconnections in place between Member States. Only if there are actual implications of security of supply risks or distortions due to connected system, does it make sense to cooperate on the risk preparedness plans.