EHI position on

"ENTSO-E Network Code for Requirements for Grid Connection applicable to all Generators"

NC RfG

(Version dated 26 June 2012)

E.S.

Background and position:

EHI, the Association of the **European Heating Industry**, represents **manufacturers of all heating systems**, among which **co-generation equipment with an electrical output of up to 50 kW**. (referred to as microcogeneration or micro-CHP).

From this perspective, EHI has been **closely following the development of the Network Code** setting requirements for all generators.

EHI also provided feedback during the open consultation organised by ENTSO-E in view of the development of the NC RfG, which lead to the version submitted by ENTSO-E to ACER on 13 July 2012.

EHI appreciates the work of ENTSO-E in collaboration with the various stakeholders and the fact that the NC RfG has been developed with the aim of providing reliable and stable electrical power to all consumers of electrical energy throughout Europe.

However, EHI believes that the final ENTSO-E version submitted to ACER does not take into account the concerns of the micro-CHP industry, con-veyed during the stakeholder consultation process.

Consequently, EHI requests ACER to reject the NC RfG in the current version and recommends:

- the replacement of the requirements for micro-CHP appliances up to 3,68 kVA per phase by more general **"safety objectives"** for their impact on cross border performance of the grid;
- a **Mandate for a EN Standard** translating the safety objectives into requirements and test methods for micro-CHP appliances, and
- a **transition period for micro-CHP appliances until the standardisation process is finalised**.

Arguments supporting EHI position:

1. The NC RfG is specifying …, **without taking in consideration micro-CHP with their different technologies** and the characteristic behaviour of each of them.
2. **Micro-CHP technologies are not able to comply** with some of these requirements **but nevertheless contribute because of their operating scheme to a stable and reliable electrical grid**.
3. Micro-CHP technologies have been highly demanded and fully supported **by the European Commission** with an aim to reach the **targets on CO_2 reduction** and **energy efficiency**: the Energy Efficiency Directive and eco-design / energy labelling for Energy related Products (ErP) are promoting micro-CHP **– the proposed version of the NC RfG would put an end to efficient and cost-effective technologies** in which the European Heating Industry has heavily invested.

Arguments supporting EHI position(continue):

4. **Without cost-benefit analysis** the ACER Framework guidelines do not allow for **more stringent requirements than the current ones**.
    - ACER Framework Guidelines 2.1: "Where the minimum standards and requirements, introduced by the network code(s), deviate significantly from the current standards and requirements, there should be a cost-benefit analysis performed by ENTSO-E that justifies this deviation and demonstrates additional benefits from requiring the higher standard."
    - ENTSO-E Motivation and Approach document January 2012: "The changes from existing standards are also modest….(3.2)" **This is not true**: changes from EN 50438 for connecting micro-CHP below 3,68 kVA per phase to the grid are huge and significant.

Arguments supporting EHI position(continue):

5. Significant grid users reasoning (M&A 2.4)
   - The overarching ACER Framework Guidelines explicitly states that "**Any grid user not deemed to be a significant grid user** shall not fall under the requirements of the network code"(1.2).
   - The **Draft Code is imperialistically expanding this to "all Generators"**
   - Micro-CHP appliances from different types will not be so huge in the coming **10 years that they will be deemed to be a significant grid user** with several thousands of MW's tripping simultaneously.

Arguments supporting EHI position(continue):

6. **During the public consultation process** (see e.g. comments from heating manufacturer associations) as well as during the 2nd and 3rd ENTSO-E User Group Meetings (see e.g. COGEN Europe presentation), **these aspects have been brought to the attention of ENTSO-E**, in conjunction with **further measures how micro-CHP appliances could be switched off based** on the frequency in a non-synchronized manner. **Unfortunately, all these concerns and arguments including the proposed technical solutions to ensure a stable grid have been rejected by ENTSO-E.**

Conclusion

Taking all these points into consideration, **EHI believes that the development of micro-CHP technology** based on linear Stirling engines, ICE and fuel-cells (with the potential of providing a significant amount of CO_2 reduction in residential use throughout Europe) is being discriminated against.

At the very moment manufacturers are ramping up mass production of micro-CHP, these technologies would be in danger to disappear due to the NC RfG.

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Thank you for your attention