



Grid-related incentives: Priority Connection, Access and Dispatch of RE-electricity

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Structure

- **Nature of priority rules**
- **Implementation of priority rules**
- **Grid Operation**
- **Legal challenges**



Nature of priority rules

- Subject to requirements relating to the maintenance of the reliability and safety of the grid:
 - [...] Ensure that transmission system operators and distribution system operators in their territory guarantee the transmission and distribution of electricity produced from renewable energy sources (*RED, Art. 16.2a*);
 - [...] Also provide for either priority access or guaranteed access to the grid-system of electricity produced from renewable energy sources (*RED, Art. 16.2b*);
 - [...] Ensure that when dispatching electricity generating installations, transmission system operators shall give priority to generating installations using renewable energy sources (*RED, Art. 16.2c*)



Nature of priority rules

- *Priority connection* requires Member States to grant a priority connection or reserved connection capacities for new RES generators
- *Priority access* requires Member States to provide an assurance for connected generators of electricity from RES that they will be able to sell and transmit the electricity from RES in accordance with the connection procedures at all times, whenever the source becomes available
- *Guaranteed access* requires Member States to provide an assurance that all electricity sold and supported obtains access to the grid, allowing the use of a maximum amount of electricity from RE-electricity generators connected to the grid
- *Priority dispatch* requires Member States to dispatch RES electricity prior to dispatching that from other generating installations



Implementation of priority rules

- Most of the Member States have different connection charge regimes, as well as different distribution cost regimes (Austria, Germany, Spain, France, Lithuania, etc.)
- Most of the Member States also apply non-discriminatory treatment for connection of RE-electricity generators (France, Sweden, United Kingdom, etc.)
- Many of the Member States have introduced priority (or guaranteed) access and dispatch options (Belgium, Spain, Germany, etc.)

Data: RES-Legal, CEER 2013



Implementation of priority rules

- Application of priority dispatch rules of RE-sourced electricity and loop flows (unplanned power flows) problem
- Priority grid access & economics of conventional power technologies problem
- Start-up emission costs of thermal power plants problem (in the event, when renewables surplus requires shutdown of a thermal power plant)
- Varying access conditions & compatibility with the internal electricity market principles problem
- RE-electricity production incentives problem



Legal Challenges

- Objective to match production with consumption at any given time (base load, intermediate load, peak load)
- Non-discriminatory access to networks & implementation of the Third Energy Package
- Restriction of access only in the event when there is a lack of transmission capacity + a right to modify TSOs rules (national institutional control)



Legal Challenges

- The 'likeness' of renewable & conventional electricity. Art. III v. Art XX GATT?
- National treatment obligation and MFN clause
- Prohibition on quantitative restrictions
- Transit implications
- Territorial limitations (CJEU: Essent, Alands)



Q & A
