



Addressee

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Dear Martin Crouch,

BritNed Development Limited (BritNed) welcomes the opportunity to be able to share its thoughts on the Load Frequency Control and Reserves Network Code (LFCR) through the ACER consultation.

BritNed is the owner and operator of the High Voltage Direct Current (HVDC) Interconnector between Great Britain (GB) and The Netherlands (NL). It is a 50:50 joint venture of National Grid International Limited (GB) and NLink International B.V. (NL) and is funded and operated on a commercial basis, independent of the regulated businesses.

As an interconnector operating under a merchant regime with a cap in accordance with our exemption, BritNed has several concerns towards the LFCR code and seeks clarity on a number of points. These are:

- Article 2 - Definitions
- Article 6 - Recovery of Costs
- Article 26/27/28 - Ramping Period
- Article 36 - Imbalance Netting Process

Definitions – With BritNed being considered a Transmission System Operator (TSO) under the codes, we believe there is a lack of clarity as to how we would be expected to fulfil all the requirements of a TSO. There are some requirements that BritNed practicably cannot fulfil so we would like to see a clause inside the network code that would allow BritNed to enter into an agreement with another TSO from the same region, so that TSO could fulfil these requirements on behalf of BritNed. It would be expected for such an agreement to be subject to National Regulatory Approval.

Recovery of Costs – BritNed would like to see a provision in the code that would allow merchant interconnectors, as TSOs, to recover costs that NRA deem as reasonable and proportionate. This measure would be especially necessary if there were to be change in the ramp period and/or ramp rate as a result of the code, which would alter the commercial position of the interconnector and subsequently could expose BritNed to significant system, through no fault of its own, charges in both the Dutch and British electricity markets.

Ramping Period/Ramp Rates – It is essential for all HVDC Interconnectors to have a central role in the Synchronous Area Operational Agreement and any restrictions that could be placed upon HVDC interconnectors. It should be clearly stated within the code when Ramp Rate could be changed, under what conditions, and how frequently this could happen. Uncertainty over this could have a detrimental financial impact on HVDC interconnectors.

Imbalance Netting Process – BritNed would like to see the term ‘where the technology is installed’ after ‘Each TSO shall have the right to implement the Imbalance Netting Process...’ and is confident this should be the case after conversations with a member of the ENTSO-E LFCR drafting team who believed that this should have been included but its omission was an oversight. However, BritNed would also like clarity as to whether it would be expected for this technology to be installed.

BritNed believes that the rest of the LFCR code goes a long way into outlining the harmonisation of frequency control and reserves and aside from the above issues has been drafted in such a way to efficiently implement the Third Energy Package.

Kind regards,

Lorcán Murray

On behalf of,  
BritNed Development Limited.