

Next steps in the legal framework for a MOG

- Which legal instruments?
- Which status for hybrid projects?

Hamburg, 27-9-2018, Ceciel Nieuwenhout, Groningen Centre for Energy Law, WP7.1

Interactive Workshop?



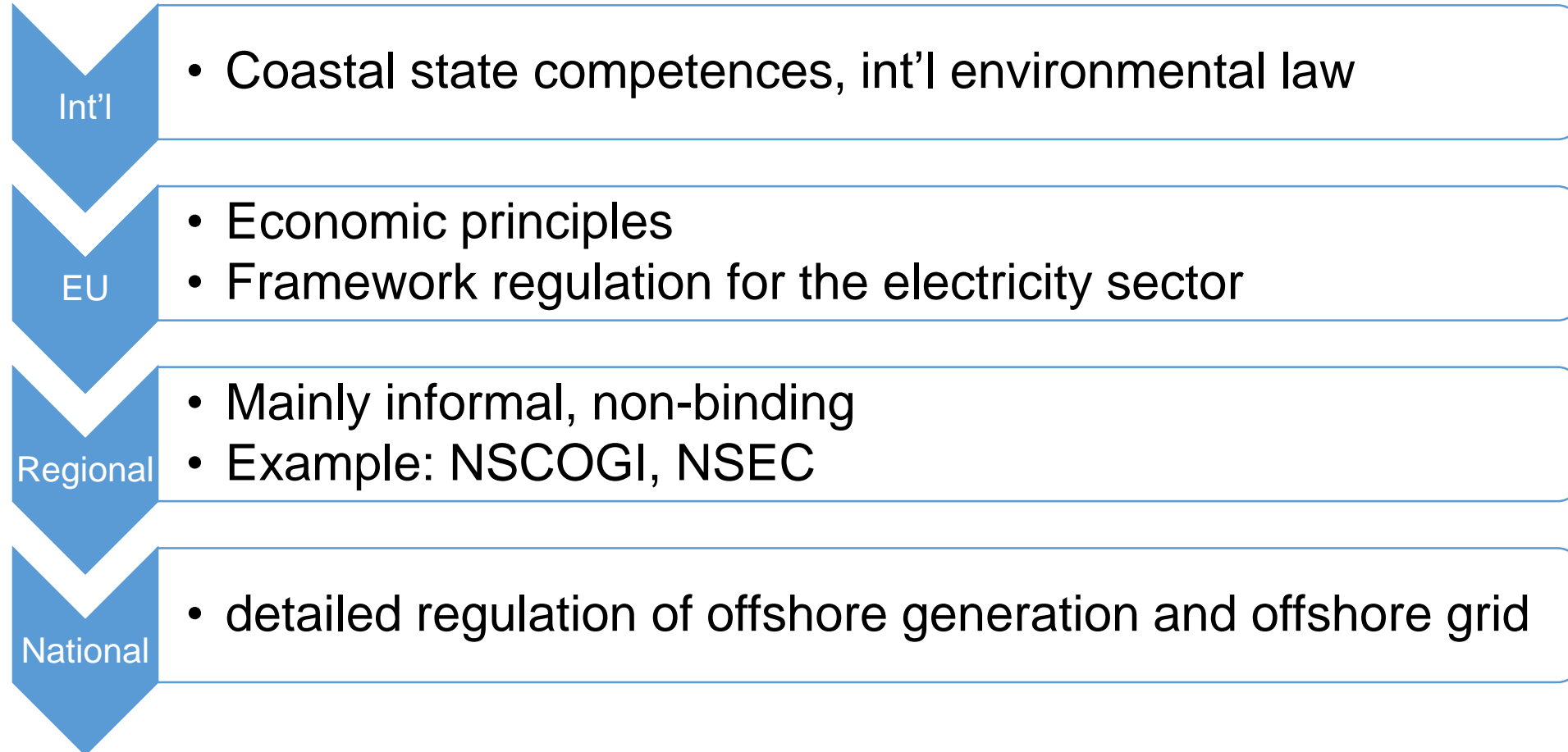


LEGAL INSTRUMENTS



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Legal Instruments for Governing a MOG



Example: Applicable EU Law

General organisation of the electricity sector

Electricity Directive

ACER Regulation

Regulation on cross-border exchanges

Renewable Energy Directive

State Aid and RES support schemes

REMIT

Offshore Windfarm Planning

EIA Directive

Strategic Environmental Assessment Directive

Maritime Spatial Planning Directive

Marine Strategy Framework Directive

Habitats and Birds Directives

Offshore Electricity Grid Investment / Construction

Trans-European Electricity Networks Regulation

Regulation on notification of investment projects in energy infrastructure

Inter-TSO compensation mechanism

Offshore Electricity Operation

NC on Requirements for grid connection

NC on HVDC Grid Connection

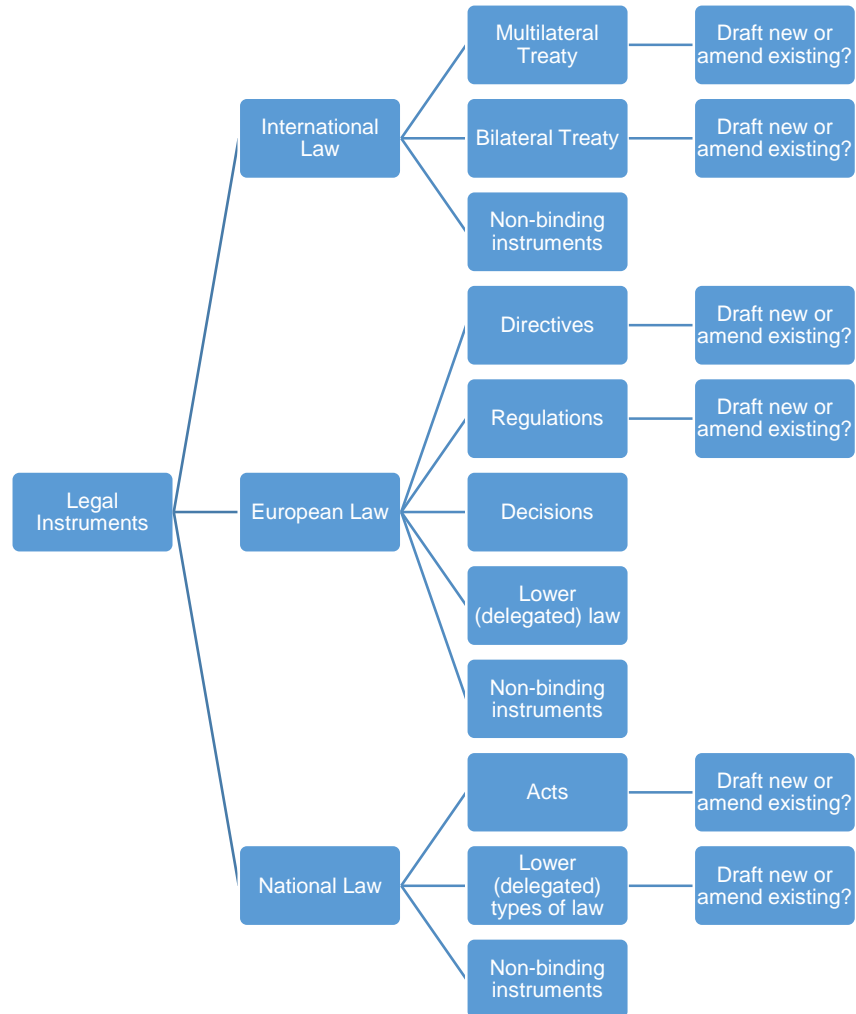
NC on CACM

NC on Forward Capacity Allocation

NC on Electricity Balancing

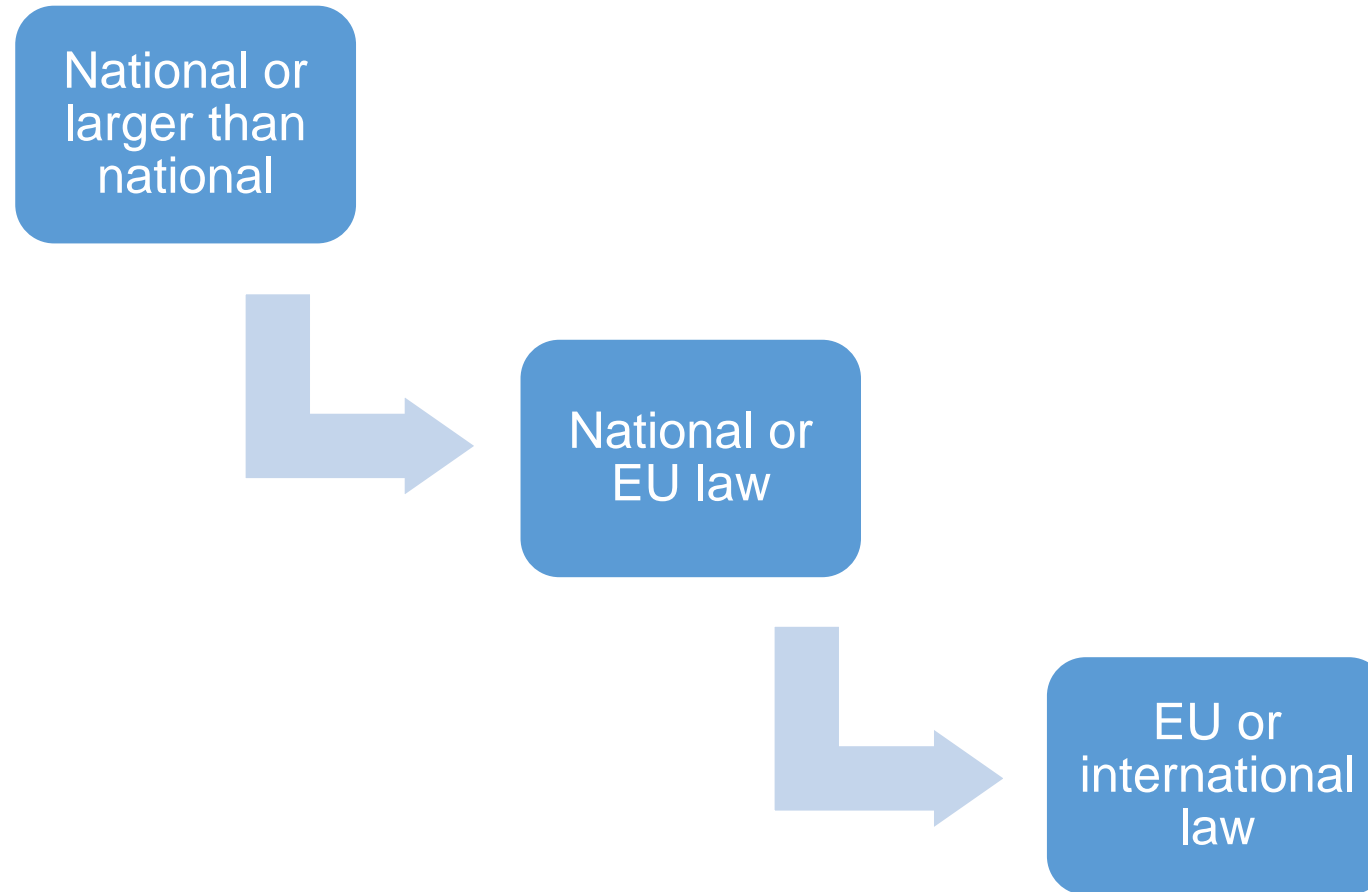


Offshore Grid Governance: which legal instruments?



- Different levels
- Different instruments
- Different status quo: amend current law or start new legislation?

Legal instruments: what's the appropriate level?



National v. Larger-than-national / National v. EU Law

- Is there a cross-border/regional/international effect?
- Is the solution more effective when dealt with on a larger-than-national level?
- Does the European Union have competence to deal with this issue?
- Is it not (sufficiently) possible to achieve the objective at national level, either centrally or decentrally?
- Is the measure necessary to achieve the objectives mentioned in the treaty?



EU vs. International / Regional Level

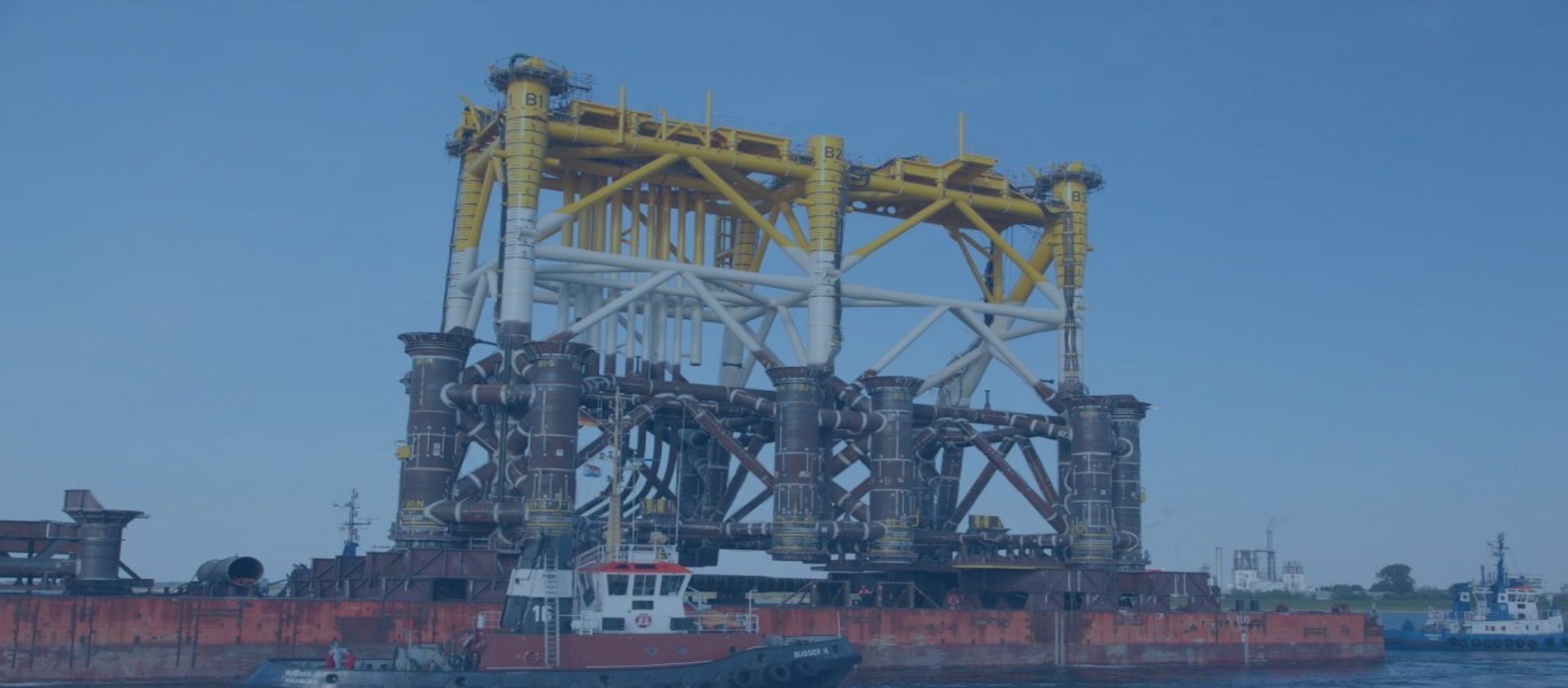
← International level

- Is it important to have one solution for all states, i.e. EU-states and non-EU states?
- Is it an issue that does not have relevance for non-North Sea coastal states?

EU Level →

- Did the EU make use of its competence under EU law to regulate this issue already?
- Is enforcement important, for example due to the risk of free-riding?





ASSET CLASSIFICATION



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ASSET CLASSIFICATION – CONNECTION SCENARIOS

- Hub-to-hub
- Offshore wind farms are connected to an existing interconnector (Tee-in)
- The entire asset (windfarm connection and interconnection) is constructed more or less at the same time
- A meshed offshore grid with grid extensions from time to time

Currently:

- **how an asset is connected determines regulatory status!**
- **Legislation does not do justice to specifics of hybrid/meshed grids: access/dispatch**
- **Wish to keep current regulatory system in place for existing infrastructure = more legal certainty**



REGULATORY OPTIONS

- Retain current laws > Kriegers Flak
- Classification as “upstream” > gas pipeline system on the North Sea
- New Definition?
 - Cross-border between two or more states
 - Offshore (geographically located in the seabed, except where the cable ‘lands’ in the onshore grid)
 - Starting from onshore connection point (i.e. HVDC converter station or AC transformer station), to be specified in lower legislation such as Network Codes
 - With the purpose of connecting offshore renewable electricity generators to the onshore transmission network/s and of hosting cross-border electricity flows



NEW DEFINITION?

‘cross-border offshore electricity grid’

=

‘transmission assets that connect offshore generation from renewable energy sources to onshore connection points in two or more national electricity systems.’



CONSEQUENCES



Financial Regulation:

For the ‘cross-border offshore electricity grid’, income should be based on regulated income rather than on congestion revenue.

Access & Dispatch:

No more priority access&dispatch, instead focus on development of good market principles



CONCLUSION + Q&A



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APPENDIX

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