

Draft - Transmission Access Standing Group (TASG)

Meeting Name	Transmission Access Standing Group (TASG)
Meeting No.	4
Date of Meeting	26 th June 2007
Time	10:00am – 03:00pm
Venue	National Grid House, Warwick

1. Attendees

Paul Jones	E.ON
Dennis Gowland	Fairwind Statkraft Orkney
Richard Ford	RES
David Scott	EDF
Tony Diccico	Npower
Graeme Cooper	BWEA
David Walker	West Coast Energy
Bob Brown	Cornwall Consulting
Bill Reed	RWE
Dewi ab Iorwerth	Centrica
Tim Russell	Russell Power
James Anderson	Scottish Power
Patrick Hynes	National Grid
Beverley Viney	TASG Technical Secretary
Hedd Roberts	TASG Chair
Paul Plumpton	National Grid

2. Apologies for Absence

1. Apologies for absence were received from Tony Cotton, Aileen McLeod, Jeremy Sainsbury, John Morris, Alec Morrison, Robert Longdon, Malcolm Taylor, Philip Baker, Charles Williams, Mike Davies, Karron Baker.

3. Actions and Notes from 15th June

2. The notes from the meeting of the 15th June will be circulated shortly for the group to agree prior to publication on the website.
3. Actions from the 25th June –
 - all actions were associated with the updating of the Pros and Cons document – all are complete.

4. Development of assessment criteria

4. The group had a detailed discussion on the assessment criteria and the following were agreed as some of the criteria that should be used
 - Security of Supply
 - Facilitating competition
 - Cost reflective charging
 - Discrimination
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5. The group agreed that if a model required licence change it would be discussed, however as this is outside the remit of this Standing Group it would then be recorded in the report along with a note that if this model was to be taken forward a licence change would be required.

5. Discussion on Models

The issues listed below are to be included in the standing group report.

6. **TEC Transfer** – The following additions were discussed when the Pro and Cons document was presented
 - Restricting transfers to zones which are electrically proximate is a variation and perhaps be called TEC sharing and maybe should be another model.
 - This model is very similar to CAP142 model original proposal which was rejected for the preferred WGAA proposal and has now been implemented.
 - Assumption - no assets will be installed to facilitate transfer, and this should be part of the principal.
 - Not able to trade “future” TEC, must have TEC at the start of the trade to prevent TEC hoarding and giving future TEC value.
 - Got to have CEC to be able to receive the transfer.
 - Creates stranded assets for upto 2 years.
 - TNUoS charges for Y+1 and Y+2 still apply to the party transferring the TEC.
 - The name of the model should be changed to TEC Temporary transfer.
 - Degree of National Grid facilitating rather than a bilateral agreement.
 - The options implemented by CAP068 was discussed, it was confirmed that CAP068 options have never been used.
 - Cons should also include – uncertainty caused by the fact it is an Auction.
7. One possible variant to this model is TEC sharing

Action: National Grid to consider the attribute of a TEC sharing product

8. **Impact on the planning process** National Grid gave presentation on the implications of connect and manage on the planning process. For details of the presentation please refer to the National Grid Website.
9. **Extra TEC** –Following additions were discussed when the Pro and Cons document was presented
 - Is there a unique way of apportioning constraint costs and are a set of rules required.
 - Short Run Marginal Cost is for any cost increase in constraint costs incurred as a result of this product and is charged to those that have caused the constraint i.e. the purchaser of ETEC.
 - Options – Deeper connection charge. Commoditise residual and charge to all on MWh or MW capacity
 - Full charge of assets annuitised
 - Would pay deep connection charge until you receive TEC in the future, being charge for advancement of local asset charge.
 - Local charge for line and commoditise residual
 - Value for local works approx £3kWh in CAP131
 - Cost would have to covered in someway though there are a number of options with which this could be done, this would have to be worked out by a Working Group
 - National Grid to provide methodology for cost reflective charge if this was to be taken further as an Amendment Proposal.
 - Likely to be other parties constrained off rather than the ETEC user.
10. **TEC Overrun** – The following additions were discussed when the Pro and Cons document was presented
 - Part of the charge will go to BSUoS and the rest into TNUoS. Everyone who generates based on MWh.
 - Need to remove the hedging terminology
 - Security of supply potential, as may undermine TEC
 - A shortage of capacity prices go up

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- If security of supply problem then would have free access
- Rules required for priority to buy on goes to TEC holders first?
- If offer accepted in BM then no access charge levied.
- Is there a seasonality factor.
- Existing Generators could reduce their TEC and relying on Overrun.
- If a number of Generators did do this a charging amendment might be required.
- Interaction with charging and energy market needs to be carefully thought through.
- How many MW are affected?
- Constraints are solved first in methodology

Action: National Grid to consider volume affected

11. **Connect and Manage** – The following additions were discussed when the Pro and Cons document was presented.

- Access within 2-6 years not 3
- Only Parties already connected allowed to participated in this model
- No protection against Transmission Constraints
- If User doesn't get constraints no relief from TNUoS charges
- Removing the linkage between completion of "wider" works and connection date
- Is there any way of National Grid applying for S37 earlier?
- It was suggested that if the CAP150 Is approved then this could be used a signal for applying for S37 for applications.
- Incentive is to go to the Transmission Company as soon as possible to secure a connection.
- The risk is S36 and/or S37 being significantly delayed
- Always going to have a miss-match

Action: National Grid to circulate a draft report

6. Next Meeting

12. The next meeting will be held at National Grid, Northampton on 13th July 2007. The meeting will commence at 10:00am. **Update: location moved to Holiday Inn Leamington Spa.**