

Minutes and Actions Arising from Meeting No.75 Held on 30 November 2007 At National Grid Office, Warwick

Present:

Simon Cocks	SC	Panel Chairman
Beverley Viney	BV	Panel Secretary
Hedd Roberts	HR	Panel Member (National Grid)
Duncan Burt	DB	Panel Member (National Grid)
Paul Jones	PJ	Panel Member (Users Member)
Paul Mott	PM	Panel Member (Users Member)
Simon Lord	SL	Panel Member (Users Member)
Tony Dicicco	TD	Panel Member (Users Member)
Garth Graham	GG	Panel Member (Users Member)
Bob Brown	BB	Panel Member (Users Member)
Dipen Gadhia	DG	Authority Representative
Hugh Conway	HC	energywatch Representative

In Attendance:

Kathryn Coffin	KC	BSC Panel Representative
Mike Davies	MD	Wind Energy
Dave Wilkerson	DW	Centrica

1 Introductions/Apologies for Absence

1287. There were no apologies.

2 Minutes of the Meeting held on 28 October 2007

1288. The minutes of the 74th CUSC Amendments Panel meeting held on 28th October 2007 were AGREED subject to minor amendments.

1289. With regard to CAP131 and the previous indication from Ofgem that it would undertake a six week Regulatory Impact Assessment GG asked, in the light of the recent House of Lords Select Committee report, if a longer consultation period was envisaged. GG was mindful of the Committee's recommendation "In particular, we recommend that wherever possible regulators allow for at least a 12 week consultation period in their forward planning to give industry a reasonable amount of time to respond to their papers."
Action DG

3 Review of Actions

1290. **Action 1272:** DB to respond to points raised by PJ re CAP150 Working Group Report – complete.

1291. **Action 1276:** CAP157 to be issued for Consultation – complete.

1292. **Action 1277:** clarification for timescales of CAP158 Consultation Alternative to be issued – complete.

1293. **Action 1285:** RD to circulate and publish headline report – complete.

4 **New Amendment Proposals (as at 22/11/07)**

1294. CAP159: Arrangements for CUSC Mid-Term Elections – BV gave a presentation (<http://www.nationalgrid.com/NR/ronlyres/426319C5-B113-4E38-9B26-D5F65B7FA192/21866/CAP159PanelproposalPresentationNov07.pdf>), which outlined the Amendment Proposal. Due to the current CUSC Panel having no alternative members the need for mid-term elections has arisen.

1295. The Panel agreed for CAP159 to proceed to Consultation for 4 weeks.

5 **Standing/Working Group Reports**

1296. **BSSG (Balancing Services Standing Group)** – DB gave an update on the last BSSG meeting which had low attendance due to other Industry meetings being held on the same day.

1297. The BSSG is currently considering issues related to Frequency Response and a CUSC Amendment Proposal is likely to be raised following these discussions.

6 **Consultation Papers (as at 22/11/07)**

1298. **CAP150 – Capacity Reduction** – BV informed the Panel that the Consultation was issued on 29th November with a closing date of 27th December 2007.

1299. **CAP157 – Extension of Qualified Company Definition** – BV informed the Panel that the Consultation was issued on 2nd November and the closing date was 29th November.

7 **CUSC Amendment Panel vote**

1300. **CAP148 – Deemed Access Rights to the GB System for Renewable Generators.** Following a presentation by HR (<http://www.nationalgrid.com/NR/ronlyres/B64C712B-98BA-4969-BE38-34D4979751DB/21930/CAP148forNovemberPanelforvote.pdf>) a minor typing error was found in the Working Group Report. HR will correct.

Action HR

1301. During the discussions, concerns were raised about large BSUoS costs being generated and passed through to consumers, potentially increasing fuel poverty.

1302. It was stated that whilst the Amendment Report covered the costs associated with CAP148, there was no analysis of the benefits, particularly in terms of carbon savings to allow a balanced decision to be made. It was also noted that other mechanisms (outside the CUSC) exist to reflect the cost of carbon, including EU Emissions Trading Scheme.

1303. It was stated that the Energy White Paper on electricity transmissions does not mention renewables having priority. There is also the risk of having to constrain Generators off because the energy can not be physically moved.

1304. Following the discussion the result of the Panel Recommendation Vote as to whether the following BETTER facilitated the Applicable CUSC Objectives was as follows:

1305. **CAP148** – Deemed Access Rights to the GB Transmission System for Renewable Generators
- | | |
|-------------|------------------|
| Original | NO - unanimously |
| WGAA1 (4CX) | NO - unanimously |
| WGAA2 (4BX) | NO - unanimously |
| WGAA3 (4CY) | NO - unanimously |
| WGAA4 (3BX) | NO - unanimously |
| WGAA5 (4AX) | NO - unanimously |
1306. After the vote GG noted, given the questions about the Authority’s ability to implement an EU Directive, that it would be important that this was specifically addressed by the Authority in their assessment of CAP148.
1307. **CAP151: Construction Agreements Works Register.** DB gave a presentation on CAP151 prior to the vote (<http://www.nationalgrid.com/NR/rdonlyres/5B7E8CC4-53B9-4FB4-96BB-289C8D61096D/21864/CAP151Novembervote.pdf>)
1308. The result of the Panel Recommendation Vote as to whether the following BETTER facilitated the Applicable CUSC Objectives was as follows:
1309. CAP151 – Original - YES – unanimously
1310. **CAP158: Provision of interim response volume information.** DB gave a presentation on CAP158 prior to the vote (<http://www.nationalgrid.com/NR/rdonlyres/1E6A3422-6614-4242-8779-25EEF4DAF147/21865/CAP158Presentation.pdf>)
1311. The result of the Panel Recommendation Vote as to whether the following BETTER facilitated the Applicable CUSC Objectives was as follows:
1312. CAP158 – Original - YES - unanimously
CAA - NO
Best - Original

8 Pending Authority Decisions (as at 22/11/07)

1313. **CAP131:** User Commitment for New and Existing Generators; **CAP144:** Emergency Instructions to emergency deenergise and **CAP146:** Responsibilities and liabilities associated with Third Party Works and Modifications made by Modification Affected Users are currently pending. DG indicated that Ofgem intended to publish a Regulatory Impact Assessment (RIA) for CAP131 in January 2008. Ofgem had issued a “minded to approve” letter for CAP144 but were awaiting the consequential Grid Code changes before making a final decision. CAP146 was still under consideration within Ofgem and they are hopeful that a decision will be made in December.
1314. DB updated the Panel on CAP144, the legal drafting has been questioned and a separate meeting regarding CUSC legal drafting will take place. MT & DB will report back to the next CUSC Panel.
- Action DB & MT**
1315. It was expressed that in future CUSC and Grid Code related changes should have

fuller involvement between the two and they should get together informally if necessary.

9 Authority Decisions (as at 22/11/07)

1316. **CAP156:** Reactive Power Default Payment Rate – Use of Spectron Power Index. Approved – implementation date 26th November.

10 Report on other Industry Documents (BSC, STC, Grid Code and DCUSA)

1317. BSC – two amendments regarding cash out price definition are nearly at the end of the process before Ofgem.
1318. P219 & P220 were brought to the CUSC Panel's attention, these have been raised by National Grid.
1319. Grid Code – GIS (see A.O.B.) has been discussed at the Grid Code Panel and a paper has been issued with the November CUSC documents (<http://www.nationalgrid.com/NR/rdonlyres/9598290F-1CA8-4B78-BEF3-44B67219D51E/21615/AOBGISPaper.pdf>).
1320. It was requested that John Greasley should give a further update on Offshore, possibly at the January Panel.

Action BV

11 A.O.B

1321. **GIS** – A paper on GIS has been issued (<http://www.nationalgrid.com/NR/rdonlyres/9598290F-1CA8-4B78-BEF3-44B67219D51E/21615/AOBGISPaper.pdf>). A joint working group between Grid Code and CUSC is being set up any nominations should be sent to BV.

Action ALL

1322. **Working Group Terms of Reference** – The Panel approved with minor amendments the changes to the Working Group Terms of Reference. These changes will allow the Working Group Chairman to set a quorum for the Working Group which will be included in the Terms of Reference.

1323. PM brought to the Panel's attention the recent decision regarding a GIS cartel, PM will circulate details to the Panel via BV the relevant paper

Action PM & BV

addendum to the minutes – following the November meeting National Grid confirmed they had been investigating this issue following the Commission's decision but that there was nothing more to report at this time.

1324. SC informed the Panel that Mark Feather had offered a presentation on the Governance review which he had accepted on the Panels behalf. It is hoped to arrange the presentation for December or January.

1325. It was noted that the MT had tendered his resignation from the CUSC Panel and his last meeting will be 14th December 2007.

1326. In addition to his comments in 1289 GG informed the Panel that the recent House of Lords Select Committee report on UK Economic Regulators had made a number of recommendations including on Regulatory Impact Assessments (see paragraph

4.7.2 of the Select Committee report) and on Post-implementation evaluation (paragraph 4.7.6 of the report) which were relevant to CUSC parties. He asked if Ofgem could give an update on how they plan to progress with this?

Action: DG

12 Record of Decisions – Headline Reporting

1327. The Panel Secretary would circulate an outline Headline Report after the meeting and place it on the National Grid website in due course.

Action – BV to circulate and publish.

13 Date of Next Meeting

1328. The next meeting is scheduled for Friday 14 December 2007, at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.