

## CAP142 Working Group

|                 |                               |
|-----------------|-------------------------------|
| Meeting Name    | CAP142 Working Group          |
| Meeting No.     | 4                             |
| Date of Meeting | 5 <sup>th</sup> February 2007 |
| Time            | 13:45pm – 15.30pm             |
| Venue           | National Grid, Northampton    |

### 1. Introductions/Apologies for Absence

45. No Apologies for absence were received

### 2. CUSC Amendment Proposal 142 (Temporary TEC Exchange)

46. MT recapped on the previous meeting and apologised for the lack of draft Working Group Report.

47. The following scenarios where discussed

| Option | Donor        | Receiver                  |
|--------|--------------|---------------------------|
|        | TEC          | 200                       |
|        | Donated TEC  | 100                       |
|        | Received TEC | -                         |
|        | Max Export   | 100                       |
| 1      | During Pays  | 200x TNUoS <sub>D</sub>   |
|        |              | 0                         |
|        |              | Bilateral Contract        |
|        |              | ← £                       |
| 2      | During Pays  | 200xTNUoS <sub>D</sub>    |
|        |              | 100xLDTEC <sub>R</sub>    |
|        |              | -100 x LDTEC <sub>R</sub> |
|        |              | Bilateral Contract        |
|        |              | ← £                       |
| 3      | During Pays  | -100xTNUoS <sub>D</sub>   |
|        |              | 100xLDTEC <sub>R</sub>    |
|        |              | Bilateral Contract        |
|        |              | ← £                       |
| 4      | During Pays  | 200xTNUoS <sub>D</sub>    |
|        |              | 100xLDTEC <sub>R</sub>    |
|        |              | Bilateral Contract        |
|        |              | ← £                       |

48. It was stated that the flow of money for the bilateral contract could be in either direction and not just from Receiver to Donor.

49. The Working Group expressed concern that this product could undermine LDTEC by offering a LDTEC alternative at a cheaper price.

50. Concern was expressed as to how this could affect the wider community as any undercharge would be passed onto the community.

51. A further alternative model was suggested of a more major role for National Grid as facilitator. This would involve Donor telling National Grid of x MW TEC. National Grid would include this in operational base line and offers profiled LDTEC. The Donor would have a rebate of its TNUoS charge for amount given up but retains rights for next year.

## CAP142 Working Group

52. It was asked how National Grid would facilitate this. The Working Group expressed concern that this model was going away from the Working Group objectives/Terms of Reference.

53. The following was asked of all the Working Group. Take charging options 1, 2, 3 and 4 as charging methodology against applicable objective then give reason 2:1 (negative:positibe) as to which one would best suited.

**Action All**

54. MT updated the Working Group that Ofgem still remains concerned about opaque trades within portfolio.

55. It was requested that AB should bring a draft version of the legal text to the next meeting

**Action: AB**

56. The next meeting will be Monday 12<sup>th</sup> February at National Grid Offices, Northampton.

## CAP142 Working Group

### Appendix 1 – Working Group Attendance

#### Members Present:

|                |    |               |
|----------------|----|---------------|
| Malcolm Taylor | MT | Chairman      |
| Beverley Viney | BV | Secretary     |
| Adam Brown     | AB | National Grid |
| Dave Wilkerson | DW | Centrica      |
| Paul Jones     | PJ | E.ON          |
| Bill Reed      | BR | RWE           |
| David Scott    | DS | EDF Energy    |
| Mike Davies    | MD | Wind Energy   |

#### In Attendance:

|              |    |                |
|--------------|----|----------------|
| Richard Ford | RF | RES Ltd        |
| Steve Eyre   | SE | British Energy |

#### Apologies: