

## CAP131 Working Group

Meeting Name	CAP131 Working Group
Meeting No.	7
Date of Meeting	18 <sup>th</sup> December 2006
Time	10:00am – 12:45pm
Venue	Boardroom, National Grid Offices, Northampton

This note outlines the key action points from the most recent meeting of the CAP131 Working Group.

### 1. Introductions/Apologies for Absence

195. Apologies for absence were received from Bob Brown (Cornwall Energy Associates), Paul Jones (E.On), Mike Kay (United Utilities), Garth Graham (SSE), Simon Lord (International Power), Angela Quinn (National Grid), David Ward (Magnox) and Charles Ruffel (RWE – observer).

### 2. Summary of CAP131 Working Group Discussions

196. The Working Group reviewed the CAP131 summary document which outlines the discussions and agreements reached thus far regarding CAP131. The document will be circulated to Working Group members.

**Action: LM**

197. National Grid confirmed that the original CAP131 proposal was comprised of the following elements:

- New arrangement applied in their entirety to all incremental TEC (regardless of whether transmission reinforcements are required).
- Generic final sums arrangements would be applied to the higher of incremental CEC or incremental TEC
- CAP131 arrangement would apply to all generation with transmission access rights (including embedded generators with BEGAs)
- First stage of commitment always applies on signature (unless connection date is not provided in agreement)
- Trigger dates will be 4 years prior to connection unless otherwise specified in Bilateral Connection Agreement
- TNUoS is the preferred investment proxy
- Inclusion of £3/kW collar to reflect local works in negative and marginally positive charging zones
- Asset reuse not applied to original proposal
- Transition and implementation issues where not specified in original proposal

198. National Grid to confirm under what circumstances National Grid could terminate a project.

**Action: NP**

199. The Working Group queried whether a refund of securities would be applicable if delays by National Grid resulted in the project becoming uneconomic and therefore the developer was forced to terminate the project. National Grid confirmed that the developer would be exposed to a termination amount, but that this would be against the profile revised to take account of the later connection date. The process to be applied requires clarification and the provision of a 'notice period' to delay is to be considered.

**Action: NP**

200. The Working Group queried the applicability of CAP131 for BEGAs. This classification of power stations would be captured by the original proposal however the associated relationship with the relevant DNO required further clarification.

**Action: NP**

201. The Working Group discussed whether a new contract was required to reflect Users Commitment and Final Sums as it was acknowledged by the members that the CONSAG would not reflect all possible CAP131 scenarios.

202. The Working Group discussed the advantages associated with a process in which the arrangements for incremental and decremental TEC were the same.

203. National Grid to confirm whether the decremental process applies to all users or to existing users only. The key to this is confirmation of when new TEC becomes applicable i.e. is it from when it becomes effective or from when the agreement is signed?

**Action: NP**

204. National Grid to investigate instances in which changes in CEC have resulted in a need for wider reinforcement works.

**Action: NP**

205. National Grid to confirm if there is any interaction between CAP131 and the ongoing 3<sup>rd</sup> party works process.

**Action: NP**

206. National Grid to clarify the definition of Section 36 consent i.e. what key triggers does it encompass.

**Action: NP/AQ**

207. The Working Group agreed that further consideration was required to the implementation date. The Working Group agreed that it may be possible to have a shorter implementation date if still allowed sufficient time to inform the industry of the changes and National Grid to complete the necessary administrative work.

208. It was confirmed that any associated changes in methodology figures would require subsequent CUSC modifications.

209. The summary document will be updated to reflect discussion and comments made by the Working Group.

**Action: HR**

210. The sections of the working group report that cover National Grid's original amendment proposal are to be drafted prior to the next meeting.

**Action: HR**

### **3. Small Generators Discount and SQSS Design Variations**

211. National Grid to confirm whether the small generators discount and the forthcoming SQSS Design Variation proposals would apply to the TNUoS tariff used to calculate the level of commitment required under the CAP131 arrangements.

**Action: NP**

### **4. Next Meeting**

212. The next Working Group meeting will be held on Wednesday 3<sup>rd</sup> January 2007 at National Grid offices in Warwick. The meeting will commence at 10am.

213. Future meetings of CAP131 Working Group have been confirmed as follows:

- Friday, 12<sup>th</sup> January 2007 (National Grid offices in Northampton)
- Monday, 22<sup>nd</sup> January 2007 (National Grid offices in Northampton)
- Monday, 5<sup>th</sup> February 2007 (National Grid offices in Northampton)
- Monday, 12<sup>th</sup> February 2007 (National Grid offices in Northampton)

# CAP131 Working Group

## Appendix 1 – Working Group Attendance

### Members Present:

Hedd Roberts	HR	Chairman
Lilian Macleod	LM	Secretary
Nick Pittarello	NP	National Grid
Mike Davies	MD	Wind Energy
Steven Eyre	SE	British Energy
Richard Ford	RF	RES Ltd
Merel Van der Neut Kolfshoten	MK	Centrica
Bill Reed	BR	RWE
David Scott	DS	EDF Energy
Malcolm Taylor	MT	AEP
Dave Wilkerson	DW	Centrica

### In Attendance:

Karron Baker	KB	Ofgem
Richard Miller	RM	Ofgem

### Apologies:

Robert Brown	RB	Cornwall Energy Associates
Garth Graham	GG	Scottish and Southern
Paul Jones	PJ	E.ON
Mike Kay	MK	United Utilities
Simon Lord	SL	International Power
Angela Quinn	AQ	National Grid
Charles Ruffel	CR	RWE Npower
David Ward	DW	Magnox