

Meeting Name CAP167 Working Group

Meeting No. 4

Date of Meeting 30th July 2008

Venue Holiday Inn – Warwick

This note outlines the key action points from the most recent meeting of the CAP167 Working Group.

Attendees		
Emma	Carr	Working Group Chair
Parry	Batth	Technical Secretary
Craig	Maloney	National Grid
Alec	Morrison	SSE Power Distribution
Mike	Kay	Electricity North West (ENW)
David	Walker	Tullo Wind Energy, Ben Aketil Wind Energy, Boyndie Wind Energy, Dunbeath Wind Energy etc and is supported by the Scottish Renewables Forum
John	Norbury	RWE
Leonida	Bandura	E.ON
Mo	Cloonan	(via teleconference) Community Energy Scotland (Observer)
Paul	McGimpsey	SP Distribution and SP Manweb
Ray	Hunter	RES
Cheryl	Mundie	Ofgem
Steven	Pottinger	Baillie Windfarm Limited and Spittal Hill Windfarm limited & Scottish Renewables

1. Apologies

Apologies were received from Dan Randles (who was represented by Mike Kay), Dave Wilkerson, Robert Longdon, Paul Mott and Alan Creighton.

2. Minutes of the 1st meeting held on 21st of July 2008. The minutes were not agreed. Comments from Paul McGimpsey and Alec Morrison are awaited.

3. Summary of Debate

46. Craig Maloney went through the comments raised by Paul McGimpsey regarding the process within the Strawman. The group debated the process further and made iterative improvements. It was agreed that the process based on the discussion would be amended and included in the revised Strawman.
47. The group then started to debate the criteria for determining a methodology and thresholds.
48. It was agreed that the Methodology should define how the criteria will be applied by National Grid. An action was placed on Craig to consider the governance surrounding

the methodology. It was debated that the Methodology and MW thresholds could have a similar governance as the Charging methodology.

49. It was generally agreed that the Criteria should form part of the CUSC.
50. The group noted a concern regarding small power stations who are not party to the CUSC. It was debated whether a developer could be party to a CUSC but without an agreement with National Grid. Emma Carr explained that there is an issue with this and parties to the CUSC must have an agreement with National Grid or are required by licence. Emma took an action to clarify the CUSC position.
51. Emma provided an overview of the CUSC Amendment Panel steer regarding the cost of carbon. The group debated the two aspects of the Panels steer, one regarding discrimination. Emma highlighted Ofgem's current Impact Assessment on CAP148 and that any discrimination in favour of renewables above other classes of users must be objectively justified. Further discussion ensued on the cost of carbon being double accounted. Emma Carr took an action to contact the panel and clarify. (Emma has already completed this action and her response has been e-mailed to all WG members). A number of the working group did not necessarily agree with the Panel's views on excluding the cost of carbon as a criterion for establishing MW Thresholds.
52. The group debated the criteria options including local vs wider works, operational costs to be included or excluded, social factors such as the burden on small power stations and community projects and technical vs commercial factors. From the discussion it became apparent that it was unlikely the group would be able to agree to just one amendment and alternative amendments would be put forward. Emma encouraged working group members to raise alternatives in a paper prior to the next meeting to allow members to consider the proposal(s). In addition, Emma encouraged the group to keep the number of alternatives to a sensible level even though the CUSC allows each working group member the right to raise an alternative.
53. Again the group raised the concern regarding the interaction with the GB queue as Relevant Small Embedded Power Stations are not party to the GB queue methodology.
54. John Norbury raised questions and concerns regarding materiality and linkages with the CUSC test for material impact.
55. Debating the wider vs local issue further, some members expressed views that local generation will be met by local demand but this in turn will have an impact on the local MITS and a concern was expressed that this could lead to zero thresholds. It was argued that the determined thresholds would need to be justified. Alec Morrison questioned if National Grid would be able to undertake an Impact Assessment on the threshold once developed on wider issues. Emma Carr indicated concerns with this approach as Impact Assessments is a Statutory Power of public bodies and National Grid could be acting outside its licence remit. Emma took an action to clarify with National Grid's legal department.
56. Following further debate on the criteria Craig Maloney took an action to update the strawman to include National Grid's preferred criteria and to provide reasoning behind each criterion.
57. Emma Carr explained that we were running out of time and that we as a WG would not be ready by 29th of August panel. Emma explained that we could request an extension she took an action to inform the Panel
58. Under any other business, Alec Morrison and Paul McGimpsey agreed to forward comments on the minutes issued for the 21st July meeting.

4. Summary of Actions

56. Draft a governance document for the methodology.

Action: Craig Maloney

57. Clarify the CUSC position about acceding to the CUSC with no requirement to have an agreement with National Grid.

Action; Emma Carr

58. Clarify the cost of carbon and double accounting argument from the CUSC Panel.

Action; Emma Carr

59. Check with legal regarding the possibility for National Grid to undertake an Impact Assessment on the thresholds.

Action; Emma Carr

60. Update the Strawman with National Grid's original criteria including reasoning

Action: Craig Maloney

61. Advise the CUSC panel that an extension will be required to allow sufficient time to fully debate the Amendment

Carr

Action – Emma

5. Next Meeting

62. The next meeting of the Working Group is scheduled for 12th of August to be held at Perth/Glasgow or Ofgem offices at Glasgow – location will be confirmed. .