

Key Points and Actions

Key Points and Actions Arising from Meeting No.16 Held on 11th August 2003 Brandon Hall Hotel, Brandon, near Coventry

Present:

Malcolm Taylor	MT	Chairman
Rupert Judson	RJ	EdF Energy
Ian Topliss	IT	First Hydro
Charles Davies	CD	National Grid Transco
David Tolley	DT	Innogy
Paul Jones	PJ	PowerGen
John Capener	JC	British Energy
Mike Harrison	MH	Scottish Power
Russell Cooper	RC	National Grid Transco
Tim Russell	TR	
Steve Drummond	SD	EDF Trading
Richard Dunn	RD	Secretary

In Attendance:

Richard Ford	RF	Ofgem
Danielle Lane	DLa	British Gas Trading
Katharine Morrison	KM	EnergyWatch

1 Introductions/Apologies for Absence

Apologies were received from Nick Frydas, Dick Cecil, John Stewart, Hugh Conway and David Lane.

2 Notes of Key Points/Actions of the Meeting held on 18th July 2003

The draft Notes of the meeting held on 23rd June 2003 were AGREED.

3 First Draft of the Report to the CUSC Panel

MT indicated that he had received comments from Steve Drummond, Tim Russell, Rupert Judson, Paul Jones and Jan De Vito and had incorporated those comments as far as possible in a first draft of the Group's report which was tabled for discussion. In addition the discussion would consider comments from Charles Davies and Simon Thornton which had also been received.

Comments to be Incorporated (Action MT unless specified)

Report Paragraph

?

Key Points and Actions

Competing Access

- 2.3 Reference should also be made to National Grid's original "Building Blocks" approach.
- 4.1 Reference should also be made to the potential time required to expand system capacity.
- 4.3 the third indent would refer to Party A and Party B to avoid confusion and a footnote would refer to the introduction of "plugs".

CD agreed to provide a clarification of the reference to TNUoS charges payable in the sixth indent of 4.3.

Action: CD

- 4.4 It was agreed that the fourth bullet point could be deleted.

It was agreed that the fifth indent would be expanded to indicate that these were not "trading opportunities" in the widely accepted use of the term.

CD confirmed that the exchange rates for connecting to different zones to be provided as part of the bulletin board arrangements would be accompanied by a suitable disclaimer.

- 4.4.1 An additional point relating to commercial confidentiality would be included in this section.

Other points – queuing principle should be retained and application fees should be sufficient to dissuade spoiling applications

- 4.5 On the second indent National Grid would clearly need to limit the users identified.

It was agreed that a pros and cons section for facilitated trade was required in the report as with the bulletin board approach.

A third option might be to assess the transmission investment required for competing applications on a UK plc basis although this was probably unnecessary the shallower the connection charging regime (e.g. plugs). It was agreed that option 3 should not be pursued in the report.

- 4.6 In the first indent delete "6" and replace with "a handful".

Delete the reference to dccc in the fourth indent.

Breach

- 5.3 Final indent will be revised to expand on the cost-reflectivity point and reflect the fact that additional capacity required has to be realised by going through the proper channels.

Several issues discussed without resolution:

- lack of ratchet approach for TEC at present suggests TEC should not

- be breached without penalty
- If no penalty for breach Generators could simply set TEC to 0 and test what happens
- is it inequitable that breach should attract one whole year's TNUoS charge even in benign system conditions? If fixed penalties how could they be made cost-reflective?
- Might need to be exclusions where the SO requires additional energy above TEC for system reasons (c.f. Maxgen). Could simply pay TNUoS in these circumstances with any penalty waived. Potential for "3 codes problems"
- Should repeated breach result in loss of licence? Is that a reasonable regime?
- How should accidental breaches be dealt with?

4 Way Forward

Agreed that additional meeting of TASG required for Friday 5th September. Competing Access well advanced but little progress on breach to date. Also still plenty to discuss on the demand side. MT would present first draft of Competing Access element of the final report to the CUSC Panel at the Panel meeting scheduled for Friday 15th August (NB: subsequently postponed until the Panel meeting scheduled for 26th September).

5 Next Meetings - Friday 5th September 2003 & Friday 12th September 2003

5th September meeting will be at Brandon Hall Hotel commencing at 10.15am. 12th September meeting will be at 23 Buckingham Gate, London SW1 6DA starting at 10.00am. Apologies in advance for 5th September from SD.