

Transmission Access Working Group 2

Meeting Name	Transmission Access Working Group 2
Meeting No.	21
Date of Meeting	18 th November 2008
Time	10:00 – 16:00
Venue	Hilton, Warwick

This note outlines the key discussions, decisions and action points from the twenty first meeting of Transmission Access Working Group 2.

1. Introductions/Apologies for Absence

1. Apologies for absence were received from Sebastian Eyre, Nick Frydas, Ed Reed (Alt. Bob Brown) and Barbara Vest (Alt. Dennis Gowland).

2. Notes from Previous Meeting

2. The group agreed the notes from the previous meeting with minor alterations.

3. Investment Analysis

3. CM argued the investment analysis could be improved if it demonstrated the lead time required for closure signals. Using predicted closure dates for nuclear power stations could give a good demonstration. CM added that knowing the profile spend for projects would also be helpful. MD noted that the majority of construction happened in the final four years before connection, the transmission owners would generally start letting contracts during the two years before this period.
4. BR considered that the analysis provided gives an illustration of the potential savings that could be made. CM was concerned the analysis maybe misleading. She believed the savings made in the analysis were achieved due to the timing of the closure rather than the notice provided. HR noted that the example gives the maximum saving achievable if the plant closure was coordinated however these savings would not be possible without a signal of plant closure.
5. LW argued that National Grid should be taking more of a view of what investment is really required.
6. GG noted that the magnitude of the money involved was relatively large compared with other CUSC amendments. HR pointed out that the analysis was not saying that this much money would definitely be saved if CAP165 was approved it just gives an illustrative example.
7. MZ noted that the example did provide some evidence of the defect. It also showed that clarity of closure could provide a solution to the defect. She agreed it did not provide information about the length of an efficient notice period but it did suggest the current arrangements should not remain.
8. FN voiced concern that too much was being built on a quick piece of analysis. It did not take into account the fact that under finite rights Users might stay on the network because the costs of leaving are high. CM noted that the examples were extreme. PJ noted that nothing would be saved if the new projects did not connect.
9. BR suggested the analysis should be included in the report with a warning to let users know it is only an illustration. PJ suggested that since it has been so controversial in

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the Working Group it should not be included in the report. MZ suggested we could include the analysis but make it anonymous. JH noted we should include the analysis as it includes information that has been asked for during the consultation.

10. The consensus of the group was that the investment analysis should not be included in the Working Group Report because the group was concerned the results of the analysis could be taken out of context. An anonymised version will be included in the Working Group papers on the website.

5. Existing Financial Securities Analysis

11. SH noted that National Grid's research into the projects which had minimal works against them were mostly post 2018 so the works had not been started. Two projects which were active came to 120MW.
12. The Working Group noted the analysis and concluded that transitioning of the existing securities regime would not therefore pose a huge risk.
13. GG suggested that National Grid should write to the smaller players (especially post 2018 players) that may not be completely aware of the access amendments and encourage their response to CAP165.

6. Working Group Report

14. The group noted there were still some references to finite LCN these should be changed to enduring. The report should also aim to describe what would be built for LCN.
15. The group questioned how long it would take to change all the agreements to implement LCN. National Grid suggested this would take around six months but agreed to double check.

Action: SH

7. Vote on CAP165 Alternatives

16. The Working Group voted on whether users should be able to stay on their existing pre-commissioning user commitment arrangements at transition. The majority of the group agreed users should be able to stay on their existing arrangements. CM noted that the newly agreed transition arrangements should be included in all of the alternatives.
17. The Working Group voted on whether the post commissioning security should be the remaining balance of the current year's TNUoS charge or nothing. The majority of the Working Group believed that there should be no post-commissioning security.
18. The Working Group voted on whether they believed the original, the Working Group alternatives and the alternatives developed by the Working Group from the consultation requests were **better than the current baseline**. The results of the vote are described in the following table:

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Proposal	Better	Not better	Abstained
Original	3	9	0
WGAA1	2	10	0
WGAA2	4	8	0
WGAA3	6	6	0
WGCR1 (WGAA4)	6	6	0
WGCR2 (WGAA5)	5	7	0
WGCR3 (WGAA6)	6	6	0
WGCR4	2	10	0
WGCR5 (WGAA7)	6	6	0
WGCR6	2	7	3

19. The Working Group voted on whether they believed the Working Group alternatives and the alternatives developed by the Working Group from the consultation requests were **better than the original proposal**. The results of the vote are described in the following table:

Proposal	Better	Not better	Abstained
Original	-	-	-
WGAA1	11	1	0
WGAA2	6	5	1
WGAA3	11	1	0
WGCR1 (WGAA4)	9	2	1
WGCR2 (WGAA5)	6	6	0
WGCR3 (WGAA6)	10	2	0
WGCR4	5	6	1
WGCR5 (WGAA7)	8	4	0
WGCR6	3	8	1

20. The majority of the Working Group believed WGAA1, WGAA3, WGCR1, WGCR3 and WGCR5 were better than the original or the baseline. The Chair, with the support of the Working Group took forward proposals which had 6 votes in support. The means that WGAA2 and WGCR2 have also been taken forward.
21. CM suggested the group could reduce the number of alternatives by combining WGAA4 and WGAA6. GG noted that his proposal included a fifteen month notice period because this aligned with gas. The group decided the proposals were different enough to put them both forward.

8. Date and Location of Next meeting

22. The next Working Group two meeting will be on the 19th of November at the Warwick Hilton.

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Appendix 1 – Working Group Attendance

Members Present:

Hêdd Roberts	HR	Chairman
Sarah Hall	SH	Technical Secretary
Mark Duffield	MD	National Grid
James Anderson	JA	Scottish Power
Bob Brown	BB	Smartest Energy
Stuart Cotten	SC	Drax Power
Garth Graham	GG	Scottish and Southern Energy
Dennis Gowland	DG	Fairwind Statkraft (Orkney) Ltd.
Paul Jones	PJ	E.ON
Simon Lord	SL	First Hydro
Cathy McClay	CM	British Energy
Fiona Navesey	FN	Centrica
Bill Reed	BR	RWE npower
Helen Snodin	HS	Scottish Renewables
Lisa Waters	LW	Welsh Power

In Attendance:

Jerrald Hauber	JH	RWE Renewables
Min Zhu	MZ	Ofgem

Apologies:

Sebastian Eyre	SE	EDF Energy
Nick Frydas	NF	Merril Lynch
Edward Reed	ER	Smartest Energy
Barbara Vest	BV	Gaz de France