

# Summary of Meeting and Actions

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Meeting Name	GSR007 Working Group
Meeting No.	3
Date of Meeting	Friday, 8 <sup>th</sup> August 2008
Time	10:00am – 2:00pm
Venue	Meeting Room B3-1, National Grid House, Warwick

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This note outlines the key action points from the third meeting of the GSR007 Working Group.

## 1) Review of Actions

The Working Group noted that there an investigation had identified no viable projects (currently on-going or being considered) which would result in the development of Generating Units in excess of 2000MW etc.

## 2) Governance Arrangements

The Working Group was informed that the GB SQSS Review Group would be taking the lead in the consultation phase of the amendment process.

Members were informed that the GB SQSS Review Group was supportive of the group's work and was committed to the Working Group's timescale. It was noted that any interaction regarding legal text would be addressed via the fundamental review.

The Working Group noted that it was the intention of the GB SQSS Review Group that GSR007 would continue as is i.e. not included within the fundamental review. However should the fundamental review and GSR007 timelines align, both sets of recommendations would be included in a single report submitted to the Authority.

The Working Group noted that the transitional issues would require detailed consideration and analysis by members such that the implementation date selected was the most appropriate. It was noted that a planning affected date and an operational affected date may be required.

## 3) Technical Considerations

The Working Group noted that initial discussions between the Transmission Owners had identified the scope of technical analysis required. A number of studies would be commissioned such that the technical implications of larger generating units on the GB Transmission System could be assessed. It was noted that the initial technical results would not be available until late September/early October 2008.

It was noted that the technical analysis was a critical part in the assessment of the review request.

The Working Group noted and discussed the ROCOF settings and associated impact on the Transmission System. It was noted that it was difficult to assess the amount of generation which was allocated behind the ROCOF settings across the GB Transmission System. It was acknowledged that the ROCOF settings were sensitive to interruptions with the new settings not being applied retrospectively.

It was agreed that it important for the technical assessment to consider embedded generation in its analysis.

## 4) Economic and Environment Costs and Benefits

The Working Group discussed the latest draft of the economic and environmental costs and benefits paper which has been updated with the comments received to date.

The numbers of units had changed from 4 to 6 (on the benefit side which was reflective of the projected number of applicable generating units currently specified in the Seven Year Statement) and the paper now included reserve costs of £60m. The Working Group noted that the cross-over point (from net cost to net benefit) still remained at two new units.

# Summary of Meeting and Actions

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The Working Group noted Appendix A on 'Impact on Security of Supply' was the only major outstanding area of analysis to be drafted.

Any comments on the paper should be addressed to PP; who would update the paper accordingly.

**Action: PP**

## 5) Discrimination

The Working Group discussed the potential discrimination aspects of the review. SE presented an overview on the associated case law (or lack of) and illustrative examples of when due and undue discrimination have been referred to in licence and legal obligations or to direct or provide guidance regarding a particular issue.

The Working Group noted that it was important to understand the rationale and facts behind the charges – context was very important in terms of due and undue discrimination.

The Working Group were informed that

- The avoidance of discrimination by Transmission Owners and System Operators is a priority for energy regulators. The fair treatment of generation technologies is a prerequisite for a fully liberalised market.
- The standard has historically been linked to changes in generation technology. If this link is broken the standard becomes both arbitrary and discriminatory.
- The GB SQSS has the scope to reduce competition in the market for generating equipment.
- Not change the GB SQSS will act against the objective of promoting competition in Generation.
- Changing the SQSS is compatible with UK energy policy objectives

The Working Group noted that it would be useful to obtain legal advice regarding due and undue discrimination.

**Action: JS**

The Working Group agreed that it would be useful to identify whether or not changes to the infeed loss amount would require any consequential changes to the Charging Methodologies.

**Action: Chairperson (ML)**

## 6) Working Group Report

It was agreed that a draft version of the Working Group should be presented to October's meeting of the GB SQSS Review Group (scheduled for 14<sup>th</sup> October 2008).

**Action: Chairperson (ML)**

As such a Working Group meeting would be convened on 9<sup>th</sup> October 2008 (via teleconference) to discuss, review and provide comments on the draft Working Group report.

**Action: All**

## 7) Next Meeting

The next meeting of the Working Group is scheduled for 25<sup>th</sup> September 2008 at EDF Energy Offices, London, commencing at 10:30am.

The Working Group noted that the meeting scheduled for 12<sup>th</sup> September 2008 would be cancelled.

### *Future Meetings*

- Thursday, 9<sup>th</sup> October 2008 via teleconference (discuss draft Working Group report)
- Thursday, 28<sup>th</sup> October 2008, National Grid House, Warwick (discuss findings/results from technical analysis)
- Thursday, 27<sup>th</sup> November 2008, National Grid House, Warwick

# Summary of Meeting and Actions

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## Appendix 1 – Working Group Attendance

### Members Present:

Mike Lee	ML	Working Group Chairperson
Lilian Macleod	LM	Working Group Secretary
Paul Plumptre	PP	National Grid
Richard Lowe	RL	Scottish Hydro Electric Transmission
Cornel Brozio	CB	Scottish Power Transmission
Bridget Morgan	BM	Ofgem
John Morris	JM	British Energy
Sebastian Eyre	SE	EDF Energy
James Suckley	JS	EDF Energy

### Apologies:

Claire Maxim	CM	E.ON
Ben Marshall	BM	National Grid
Sam Matthews	SM	National Grid