

CAP143: “Interim TEC”

TCMF

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CAP143 – Original proposal

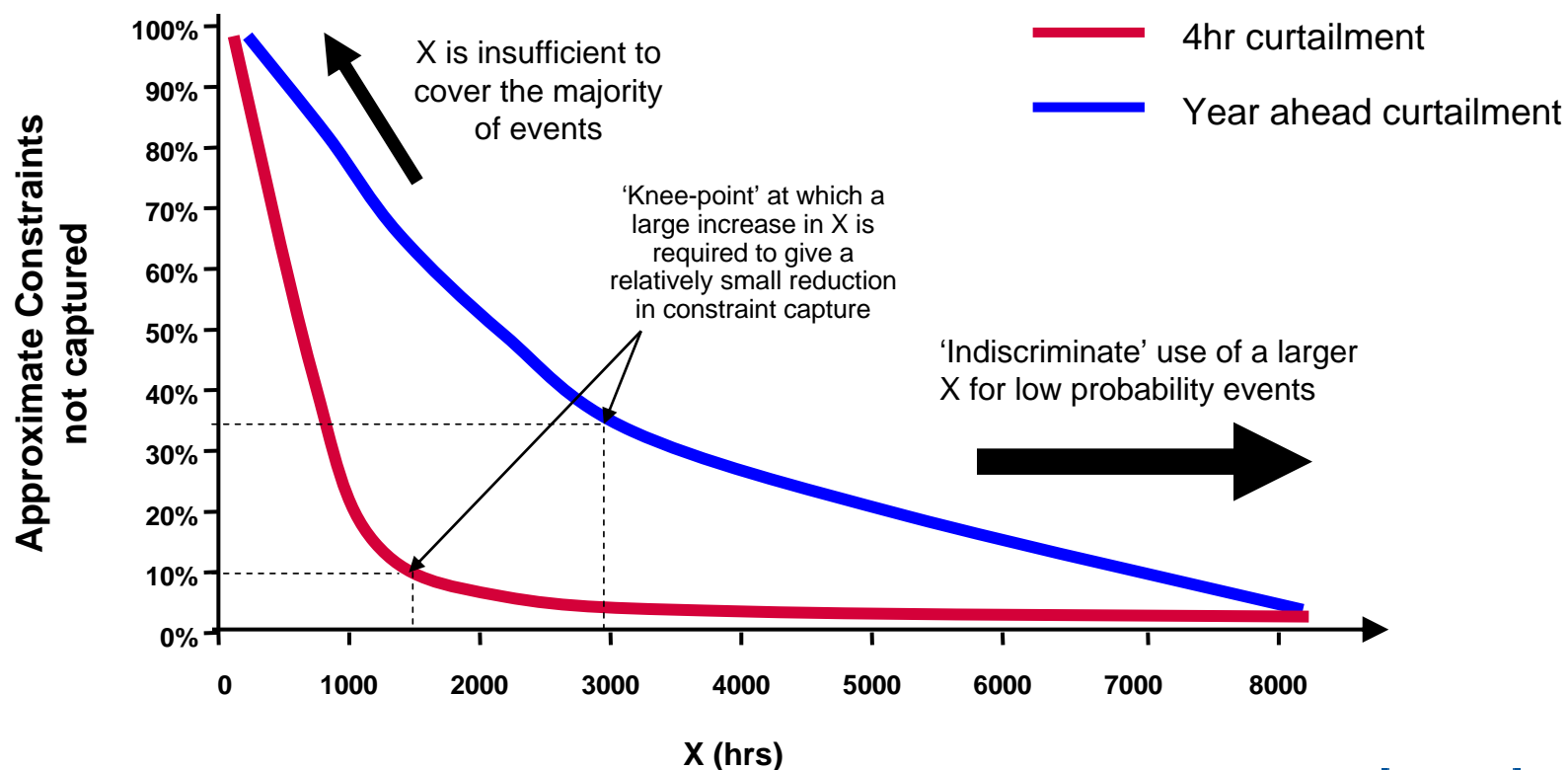
- ◆ Raised by SSE Generation in December 2006
- ◆ Aims to provide accelerated transmission access to power stations waiting completion of wider transmission works
- ◆ Key elements
 - ◆ Eligible to apply for ITEC upon receipt of the relevant consents
 - ◆ Limited to the TEC applied for
 - ◆ Applies until TEC is available
 - ◆ Generation curtailed through a fixed value of X (hours) inserted in the CUSC to avoid additional constraint cost

CAP143 – Working Group Alternative

- ◆ Key elements
 - ◆ Eligible to apply for ITEC upon receipt of the relevant consents
 - ◆ Limited to the TEC applied for
 - ◆ Applies until TEC is available
 - ◆ Generation curtailed through a value of X (hours) calculated on a generator specific basis
 - ◆ Application process
 - ◆ For successful applications, allocation of X notified by the System Operator 4 hours ahead of the relevant settlement period
 - ◆ Captures greatest volume of additional constraints
 - ◆ Most efficient valuation of X due to increased certainty of information

CAP143 – Determination of X

- ◆ At 4hr-ahead curtailment, X of 1500 captures ~90% of constraint volume
- ◆ At year ahead, X of 3000 captures ~65% of constraint volume



CAP143 – Charging implications

- ◆ Application fee
 - ◆ Generator specific studies required to calculate X
 - ◆ Modification application to advance works
- ◆ Costs of accelerated ‘local’ investment
 - ◆ One-off costs to the applicable user
- ◆ Use of System charge
 - ◆ Essentially accelerated TEC, with restrictions
 - ◆ Unlikely to be cost neutral
 - ◆ Not currently possible to target these costs to ITEC users
 - ◆ Need to consider capturing costs, ring-fencing and re-charging short-term costs of ITEC
 - ◆ Cannot be achieved by modifying the methodologies alone
 - ◆ TNUoS charge would avoid inappropriate incentive
 - ◆ Review in the context of other developments

Next Steps

- ◆ Working Group report to CUSC amendment panel
 - ◆ End April 2007
- ◆ Submission of conclusions report to the Authority
 - ◆ May 2007
- ◆ Development of charging proposals if non-vetoed, within implementation timescales