

## CAP143 Working Group

Meeting Name	CAP143 Working Group
Meeting No.	3
Date of Meeting	29 <sup>th</sup> January 2007
Time	10:00am – 03:00pm
Venue	National Grid House, Warwick

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### 1. Introductions/Apologies for Absence

1. Apologies for absence were received from Malcolm Taylor, Richard Ford, Simon Lord, Garth Graham, James Anderson, Dennis Gowland, Mike Davis, Jeremy Sainsbury and Keith Maclean.

### 2. CAP143 Working Group Report

2. HR is still working on this following the comments at the previous meeting and will aim to have a draft to discuss at the meeting on 9<sup>th</sup> February.

**Action: HR**

### 3. CUSC Amendment Proposal 143 (Interim TEC) – Skeleton Process

3. AB presented recap on the skeleton process for CAP143 to the Working Group. AB is continuing to work on the process with AM.

**Action: AM/AB**

4. The Working Group agreed that the date ITEC is available is critical, as is how this information is made available.

5. The Working Group discussed whether ITEC is only available from certain triggers or whether a firm date (based on an SO estimate of when the triggers are achieved) should be provided. The Working Group noted that without a firm date, if the transmission project is 4 years, ITEC is probably only available for the final 2 years. Ongoing analysis is expected to clarify this position.

6. The Working Group discussed where (other than Beaulieu – Denny) there might be a cluster or multiple schemes and requested contrasting examples of the availability of ITEC in different locations.

**Action:AB**

7. The Working Group questioned the treatment of User Commitment / Final Sums associated with works brought forward.

8. The Working Group requested that the average power station build time and transmission works build time be considered in future analysis.

**Action: AB**

9. The Working Group discussed how to manage a number of projects approaching National Grid for the same ITEC e.g. if 10 users approached for 100MW would the 100 be divided between 10 therefore only giving 10MW each. The question was asked how an x value is reached if a number of people approach National Grid at the same time.

10. The Working Group discussed a range of different ways that x could be determined and allocated for a given number of MW seeking to use ITEC.

11. The options for the group to consider are;

- i. Original – a single value of x in the CUSC

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- ii. WGAA  
Number of MW = TEC you get to  $x$  = project by project basis  
Allocation – window to show interest  
 $X$  calculated on who shows interest  
- express interest on basis of  $x$   
The concern is this is inefficient use of  $x$  because not everyone will sign up therefore leaving “spare” capacity.
  - iii. WGAB  
As WGAA but after everyone signed up recalculate  $x$  and everyone gets amended value of  $X$ .
  - iv. WGAC  
As WGAA but having multiple rounds.
  - v. WGAD  
People indicate range of  $x$  they would be happy with  
GBSO undertakes to allocate  $x$  efficiently based on a supply curve of MW against  $X$  (where  $X$  is a proxy for price). Effectively this would be a cleared price auction.
  - vi. National Grid makes a profile of firm ITEC available 100MW available March to April, “advertises” its availability and it is allocated  
–first come first served  
–Auction  
–Allocation  
Rights to trade it out if don’t use it
13. All of the group to consider all of the above options to discuss for and against next meeting  
**Action: ALL**
14. AB gave a second presentation on proposed constraint analysis, which had the proposed output of; for a given level of uptake of Interim TEC in future years, the value of  $x$  required to eliminate any adverse impact on constraints (paid for by BSUoS). Note, the value of  $x$  will be based on a probabilistic assessment therefore has a distribution.
15. The Working Group questioned whether the probabilistic analysis could be validated against the SO’s experience of the system.
16. The Working Group requested that a set of scenarios around Beaulieu – Denny be looked at, with a best and worst case scenarios with a build lead time. It was requested to look at best first and if  $x = 8760$  don’t do any others.  
**Action: AB**
17. The Working Group asked if this would affect incentive scheme and what incentive is there on National Grid to get it right. It was also asked can National Grid buy  $x$  back and could National Grid sell more  $x$ ?
18. The Working Group noted that this could considerably increase National Grids workload and that this needs to be considered.
19. The Working Group noted Final Sums and the interaction of CAP131 needs to be considered and requested AB to present the way forward with interactive final sums, what the charge should be for this product.  
**Action AB**
20. The Working Group agreed at the next meeting to review the options developed to date within the Working Group, and assess these to determine those that should be considered further.

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### 4. Next Meeting

21. The next Working Group meeting will be held on Friday, 9<sup>th</sup> February 2007 at National Grid offices in Warwick. The meeting will commence at 10:00am.
22. Future meetings of CAP143 Working Group have been confirmed as follows:
  - Wednesday, 21<sup>st</sup> February 2007 (National Grid offices in Warwick)
  - Friday, 9<sup>th</sup> March 2007 (National Grid offices in Warwick)
  - Friday, 16<sup>th</sup> March 2007 (National Grid offices in Warwick)

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### Appendix 1 – Working Group Attendance

#### Members Present:

Hedd Roberts	HR	Chairman
Lilian Macleod	LM	Secretary
James Anderson	JA	Scottish Power
Adam Brown	AB	National Grid
Richard Ford	RF	RES Ltd
Garth Graham	GG	Scottish and Southern
Paul Jones	PJ	E.ON
Robert Longden	RL	Airtricity
John Morris	JM	British Energy
Alec Morrison	AM	SSE
Bill Reed	BR	RWE
Dave Wilkerson	DW	Centrica

#### In Attendance:

Karron Baker	KB	Ofgem
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#### Apologies:

Thomas Chappell	TC	npower
Mark Copley	MC	Ofgem
Mike Davies	MD	Wind Energy
Dennis Gowland	DG	Fairwind Orkney
Simon Lord	SL	International Power
Keith Maclean	KM	SSE
Richard Miller	RM	Ofgem
Jeremy Sainsbury	JS	Natural Power
Malcolm Taylor	MT	AEP
Beverley Viney	BV	Secretary