

# CAP 150 – Capacity Reduction

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29<sup>th</sup> February 2008

Amendments Panel Recommendation Vote

# Defect

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- CAP150 was proposed to assist in the facilitation of queue management for transmission access
- There is a concern that some Users in a queue may not be accurately declaring data regarding the level of access they required
- As a result the Users may be holding additional capacity
- May prevent other Users from gaining access
- CAP150 aims to ensure level of access required by each User in their bilateral agreement represents their actual requirement for TEC

# Proposed solution

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- ◆ It is proposed that:
  - ◆ a process is established to allow National Grid to request data from the User about their projects progress
  - ◆ if National Grid based on this data, believes the User will be unable to use all the TEC within their agreement then National Grid can seek commence a process to reduce the Users' contracted capacity
  - ◆ the User will be given a opportunity to revise their capacity
  - ◆ if the User does not revise their agreement National Grid can determine a revised reasonable level of capacity
  - ◆ The process developed contains safety checks and would be referable to the Authority

# Working Group Alternative Amendment

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Working Group Alternative Amendment (WGAA) was proposed by EDF Energy

- ◆ WGAA is based on the original with one exception
- ◆ In the event that National Grid's concerns regarding project progression remain unsatisfied:
  - ◆ National Grid would not seek to determine a revised capacity figure
  - ◆ Process would instead lead to the termination of the Users' agreement
- ◆ Again the process would be referable to the Authority

# Working Group Discussion

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- ◆ Consensus that, in an ideal world, all Users would submit accurate data and therefore the use of this process should not be required
- ◆ It was agreed Capacity reduction should apply only to TEC and not CEC
- ◆ Residual concerns of some Working Group members
  - ◆ This process may add additional risk to new projects
    - ◆ Mixed views on this point
  - ◆ Sources of information that could be used by National Grid not 'constrained':
    - ◆ Difficult to limit these
    - ◆ National Grid must cite sources of information when giving ground for concern
    - ◆ The process would be open to appeal to Authority and legal challenge

# Working Group Discussion

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- ◆ Residual concerns of some Working Group members (contd.)
  - ◆ Adequate safe guards within the formal process
    - ◆ Additional steps included in the process to provide comfort
    - ◆ Set timescales for the User to respond, and;
    - ◆ Second loop within the process to ensure User is aware (notice of intention before final notice issued)
    - ◆ The process is open to appeal to Authority

# Working Group - Applicable Objectives

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## Original Proposal

- ◆ A majority of the Working Group agreed that the CAP150 Original Proposal would better facilitate CUSC Applicable Objectives (a) and (b) by:
  - ◆ facilitating National Grid's management of Users' transmission capacity where there is a queue and freeing up capacity where it is not required;
  - ◆ In freeing up TEC, through the facilitating of efficient timely connection of new applications.

## WGAA

- ◆ A majority of the Working Group agreed that the CAP150 WGAA would not better facilitate the CUSC Applicable Objective(s)

# Consultation Alternatives

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- ◆ Consultation Alternative A is proposed by Heysham Offshore Wind Ltd
  - ◆ Proposes to amend the Original proposal to prevent inconsistent treatment of Users who hold a BEGA compared to User who hold a BELLA
- ◆ Consultation Alternative B is proposed by Gunfleet Sands Ltd
  - ◆ Proposes to amend the Working Group Alternative to meet the expressed aims of the Alternative regarding termination for BELLA's
- ◆ Consultation Alternative C is proposed by Gunfleet Sands II Ltd
  - ◆ Proposes to amend the Working Group Alternative to include both amendments as detailed in Consultation Alternative A and B

# CAP150 views and representations

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- ◆ The Working Group supported the Original
- ◆ 15 responses received following Consultation
  - ◆ 8 supported the Original
  - ◆ 1 supported the WGAA
  - ◆ 4 did not support either
  - ◆ 1 raised the 3 Consultation Alternatives
- ◆ 5 responses received following the second Consultation period
  - ◆ 4 supported CAA A
  - ◆ 1 supported WGAA