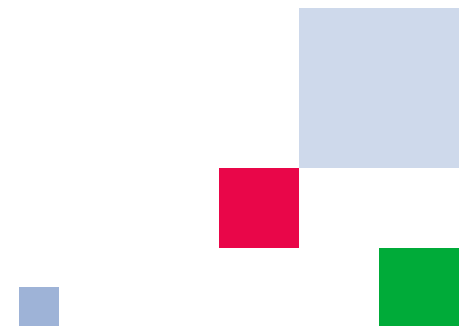


CAP149 Working Group Report

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Contents



- CAP149 – Description
- Working Group Terms of Reference
- Perceived Defects
- Working Group Discussion
- Working Group Alternative Amendment
- Comparison of Original and WGAA
- Effect on the CUSC and other Industry Documents
- Legal Text and Implementation
- Assessment against Applicable CUSC Objectives (ACOs) and Working Group Recommendation

CAP149: Transmission Entry Capacity with restricted access rights (TEC-lite)

- Proposed by SSE Generation Ltd. – submitted to CUSC Panel Meeting on 27th June 2007
- Seeks to amend CUSC to formalise existing transmission access arrangements for Users with non-standard variations to their Bilateral Agreement – these Users have restricted access to the GB MITS
- The Original Amendment sought to establish a new enduring access product (“TEC-lite”) for new and existing Users with such restricted access rights
- The only difference between TEC and TEC-lite would be the User’s rights with regards to export of power into MITS
- CUSC Panel sent CAP149 to a Working Group for 3 months – to report back to September ‘07 CUSC Panel Meeting

Working Group ToRs

The following ToRs were agreed by the CUSC Panel:

- Regulatory, Licence and Legislative Issues - any NG or Scottish TO Licence changes, any discrimination issues
- TEC-Lite Product definition and scope - attributes, eligibility, applications process, allocation criteria
- Operational Aspects – reduction in access management approach, Connection Queue Management
- Longer Term System Issues - planning assumptions for TEC and TEC-Lite, Impact on Security of Supply
- Impact on Industry Documents and Systems requiring change to implement CAP149 - CUSC (including Bilateral Agreements), STC, BSC, Transmission Charging Methodology, Transmission licences, Grid Code, GBSQSS

Perceived defects that CAP149 seeks to address

- It seeks to address a perceived anomaly in the CUSC that results in different Users having different access rights to GB MITS while both apparently purchasing same access product
- It would formalise in the CUSC the access rights for existing and future Users with “non-standard” (restricted access) connections
- It seeks to offer choice for Users to request a variation to the connection design specified in the GB SQSS
- It seeks to expose Users to the economics of the investment in their connection designs – hence it may help to reduce the potential for inefficient capital expenditure to facilitate new connections e.g. a dual circuit connection may not be appropriate in some locations and for some Users
- A key element of the proposal is to revise the standard forms of the BCA as set out in Exhibit 1 to Schedule 2 of the CUSC and the BEGA as set out in Exhibit 2 to Schedule 2 of the CUSC, to include clauses that would restrict access to the GB Transmission System

Working Group Discussion - 1



- The WG unanimously agreed that creating a separate access product from TEC (i.e. TEC-lite) was not necessary
- The defects identified in the original amendment could be remedied by offering Users the option of a **Non-Firm Design Variation (NFDV)** connection on the Connection Application Form
- Users might decide to opt for a NFDV for a number of reasons including the ability to connect earlier than might otherwise be the case, or if this led to lower TNUoS charges*
- The WG decided that this should form the basis of a WG Alternative Amendment (WGAA1)

**Note: The level of TNUoS charges was outside the scope of the Working Group and is a Charging Methodology issue*

Working Group Discussion - 2



- WG members agreed that WGAA1 does not have the inherent inefficiencies of the Original but retains the desirable aspects i.e. it:
 - offers more choice to the User;
 - provides more clarification of the availability restriction notification procedures;
 - makes it clearer that a Non-Firm Design Variation connection is an option;
 - addresses the potential for more efficient capital expenditure to facilitate new connections.

Comparison of Original and WGAA1



Feature	Original	WGAA1
Creation of TEC-lite Access Product	Yes – creates an enduring access product for existing and future Users with potentially a lower TNUoS charge.	No – maintains existing access arrangements based on TEC but creates option of a Non-Firm Design Variation (NFDV) connection with potentially a lower TNUoS charge.
Revision of BCA and BEGA standard forms	Yes – revises Exhibits 1 & 2 to Schedule 2 of the CUSC to include clauses that would restrict access to the GB Transmission System.	As Original, but also formalises the notification procedures.
Clarifies obligations on National Grid and the User	Yes – describes the obligations on both National Grid and the User in the event of reduced capability of named transmission circuits.	As Original
Applicability	TEC-lite would be available to all existing and future Users with a connection to the GB Transmission system which is a variation to the connection design as provided for in Ch. 2 of the GBSQSS.	NFDV connection option available to all new Users applying for connection after the Implementation Date – including Users in GB Queue whose Bilateral Agreement revised before connection. Existing Users could apply for NFDV connection via a Modification Application.
Increases choice	Yes – enables TOs to offer different standards of access which may be more appropriate and cost-effective for some Users.	As Original – applies primarily to new Users but is available to existing Users.
Facilitates transmission access	Yes – should enable new Users to connect earlier	As Original

Impact on the CUSC and other industry documents

- CUSC: Sections 2.3, 3.9 & 11.3 would require change as would the BCA, BEGA and the Connection Application Form
- The STC would require house keeping modifications to Section 18.
- The OC2 provisions of the Grid Code may need to be amended to include revised procedures for Notification of Availability Restrictions.
- The Charging Methodologies of National Grid and the TOs may need to change dependent on whether it is deemed appropriate to charge Users with a Non-Standard Design Variation connection differently.
- No impact is expected on the GBSQSS or BSC.

Legal Text and Proposed Implementation



- The WG unanimously agreed that legal text would be provided for WGAA1 only as the Original did not have support
- The WG decided that:
 - WGAA1 should only apply to Users seeking future connections after the Implementation Date
 - WGAA1 would not apply to existing Users but may be implemented for Users currently in GB Connection Queue in the event that their Bilateral Agreement is revised before connection
 - Existing Users with restricted access would have option to adopt these changes through Modification Application process
- The WG therefore proposes that WGGA1 should be implemented 5 working days after an Authority decision subject to timescales for implementation of any consequential changes to any other documents.

Assessment against ACOs and Voting



- The Working Group voted on the Original and WGAA1 as to which **better** met the Applicable CUSC Objectives (ACOs), which was **better** than the Baseline and also which was the **best** proposed amendment.
- The results were:
 - WG Members voted unanimously that WGAA1 better facilitated the ACOs and was better than the Original.
 - The WG was split as to whether the Original was better than the Baseline – only the proposer voted in favour with 3 abstentions and 4 against
- A summary of the votes is shown below

Voting Results	Pro	Anti	Abstain
Original better than Baseline	1	4	3
WGAA1 better than Baseline	8	0	0
WGAA1 better than Original	8	0	0

The WG believes its ToRs have been completed - CAP149 and WGAA1 have been fully considered and recommends to the CUSC Panel that a Consultation report should proceed to wider Industry Consultation as soon as possible