

CAP168 Working Group

Meeting Name	CAP168 Working Group
Meeting No.	1
Date of Meeting	13th March 2009
Time	13:00 – 16:00
Venue	National Grid House, Warwick

This note outlines the key discussions, decisions and action points from the first meeting of the CAP168 Working Group.

1. Introductions/Apologies for Absence

1. Apologies for absence were received from Paul Jones, Deborah MacPherson, Rekha Patel, Louise Schmitz and Merel van der Neut Kolfshoten.

2. Agree Terms of Reference

2. SH read through the Terms of Reference and highlighted any points which were different from the generic version. The group added Process for Offering TEC to SO, Reserve and Interaction with Other Proposals to the list of specific points the Working Group should cover.
3. The Working Group agreed the Terms of Reference with minor changes and a copy will be circulated after the meeting.

Action: SH

3. Presentation of CUSC Amendment Proposal

4. MM introduced the Amendment Proposal. She considered that the proposal gives a coherent package of change which will improve transmission access. She added that this proposal may be more palatable to the industry than the current long-term access Amendment Proposals.
5. NC presented slides on the Amendment Proposal. He described the defect, the desired outcomes and the merits of the proposal. These slides can be found on the National Grid website.

4. Questions and Points of Clarity

6. The Working Group reviewed the proposal and considered various aspects to gain a better understanding.
7. MD noted that it had been suggested that this proposal could not work with CAP165 or CAP166. He suggested that it would be possible to have some aspects of CAP168 in conjunction with CAP165 or CAP166. MM responded that it maybe possible to introduce the amendment with one of the other long-term amendment proposals but she saw the proposal more as an alternative to CAP165 or CAP166.
8. PH pointed out that there were already a number of amendments on the table which facilitated the use of capacity in the short-term and icentivised users to book less TEC. MM noted that these arrangements were not in the current baseline, we should assess this new modification against the current baseline. She added the current short-term trading arrangements do not work. PH suggested we should be considering if CAP168 has any incremental benefit over the other short-term transmission arrangements.

9. CW noted that wind farm did not have full control over the output of their plant so they could be penalised by CAP168 compared with conventional plant. PH pointed out that it would probably be cheaper for a User who could control his plant to generate at TEC three times in a year to avoid the charge. MM suggested that the usage test should be stronger than three times in a year.
10. RF noted that when he first read the proposal he thought the usage test was in place to test what a power station could physically generate. NC noted this was not the sole purpose of the test. The test would also identify users that were capable of generating but had chosen not to.
11. SL asked how reserve plant would be treated under these proposals. He noted that reserve plant had low load factors but they would need to be able to generate at maximum output at short notice. MM suggested reserve plant could be exempt from the under-use charge.
12. JE asked whether a user would still be charged an under-use charge if they had been tripped off by the system operator. MM suggested that under these circumstances the user may not have to pay an under-use charge. JE voiced concern that we could end up with so many different types of User with reasons for exemption that there is no-one left to levy an under-use charge on.

5. Overview of Work Plan

13. SH presented slides which gave an overview of the topics which the Working Group needed to discuss. These slides are available in the Working Group area on the National Grid website.
14. HR asked the Working Group if there was any further analysis that National Grid could do to help the development of the proposal.
15. MM suggested it would be useful to have some analysis which looked at how much over investment there was in the current network. This could involve looking at different Users load factors.
16. RL noted it would be helpful to see how much TEC had consistently not been used over a number of years.
17. HR agreed that National Grid would try to do some analysis on the suggested topics before the next meeting.
Action: SH
18. NC noted that the maximum outputs of plant would not be coincident. He considered it would be useful to look at some generation profiles over a year. PH noted he had already done some analysis which considered output profiles for wind and agreed to circulate it.
Action: PH
19. The Working Group considered whether additional trading arrangements were required above those in the current baseline and those from CAP161-CAP163. The CAP168 proposal recommends day ahead trading. PH noted that this had been considered during development of the short term TAR amendments. It was considered that day ahead trading was too complex to implement by 2010. NC considered that the Working Group should not repeat this work.
20. The group discussed whether National grid could be a TEC holder. It was concluded that National Grid did not need to hold TEC to release it.
21. The Working Group agreed that security should not be held for the under-use charge.

6. Date and Location of Next Meeting

22. The next Working group meeting will be at the AEP offices in London on Thursday 19th March 2009.

Appendix 1 – Working Group Attendance

Members Present:

Hêdd Roberts	HR	Chairman
Sarah Hall	SH	Technical Secretary
Patrick Hynes	PH	National Grid
James Anderson	JA	Scottish Power
Bob Brown	BB	GdF
Richard Ford	RF	RES
Garth Graham	GG	Scottish and Southern Energy
Robert Longden	RL	Airtricity
Simon Lord	SL	First Hydro
Maureen McCaffrey	MM	ConocoPhillips
Bill Reed	BR	RWE
Barbara Vest	BV	AEP
Charles Williams	CW	Falck Renweables

Alternates:

Peter Bolitho	PB	E.On
Dave Wilkerson	DW	Centrica
James Evans	JE	British Energy

In Attendance:

Konrad Keyserlingk	KK	Ofgem
Nigel Cornwall	NC	Cornwall Energy Associates
Michael Dodd	MD	ESBI
Ricky Hill	RH	Centrica
Paul Mott	PM	EdF

Apologies:

Paul Jones	PJ	E.On
Deborah MacPherson	DM	Scottish Power
Rekha Patel	RP	Welsh Power
Louise Schmitz	LS	British Energy
Merel van der Neut Kolschoten	MK	Centrica