



Extract from Draft Minutes of November CUSC Panel

825. **CAP142** – Temporary TEC Exchanges. JM gave a presentation on this new proposal. JM said that this amendment proposal was brought about by a real encounter of this issue. The proposed amendment is a within financial year exchange for variable period of time upto the buffer of the financial year. All agreed longer would result in less flexibility.
826. Users would need to apply to NG for an exchange rate and potentially this could result in access being granted in situations where LDTEC was not available.
827. It was made clear that the exchange rate should not exacerbate constraints and that this should be clear in the Terms of Reference. The seller would have to be connected to the system.
828. It would apply as soon as exchange rate has been established and contracts exchanged. The party transferring the TEC would continue to pay TNUoS charge.
829. The Exchanged TEC + TEC + any STTEC or LDTEC must be \leq CEC
830. PJ had sent in the following comments "We need to consider carefully how such a product would interact with TEC, LDTEC and STEC. In particular, whether and how it would interact with the process for allocating the other within year products.
831. As ever, the charging is the key issue. Does the proposed charging contradict the principles underlying the other products?"
832. The question was raised of whether a TEC register could be kept posting what TEC was available and also exchange rate.
833. It was said that the lead party should pay application fees rather than both parties putting in simultaneous applications.
834. The question was asked how the availability of TEC should be published, it was clarified that the obligation is on the person seeking TEC exchange to approach potential parties.
835. It was agreed to go to Working Group for 3 months with the following to be considered.
- Trading between 2 parties subject to NG exchange rate
 - Exchange rate shouldn't exacerbate constraints
 - TNUoS charging responsibility of party transferring TEC

- It is within Financial Year – with the end of financial year as the buffer.
- It should be looked at whether the 7 weeks at the start of the Financial year should be excluded as this would be the “start up” period, therefore only 45 week period i.e. To deliver a different exchange rate to enduring TEC trades, the assessment would need to be on an ‘operational’ basis, rather than a long term planning basis)
- Specific consideration should be given regarding embedded
- That it should not effect charging base
- Sense check as to whether this is financially viable
- National Grid would have to be clear on Grid Code requirements are met for the receiving party where a trade is carried out.

836. Nominations to be sent to BV by 1st December, MT to be chair of the Working Group. Date of the first meeting to be confirmed.