

TAR Enabling Sub Group

Meeting Name	Transmission Access Review (TAR) Enabling Sub Group
Meeting No.	2
Date of Meeting	12 th May 2008
Time	10:00 – 15:00
Venue	AEP Offices, 17 Waterloo Road, London

This note outlines the key action points from the first meeting of the TAR Enabling Sub Group.

1. Introductions/Apologies for Absence

1. Apologies for absence were received from Graeme Cooper, Barbara Vest, Dennis Timmins, Frank Prashad, David Lewis and Simon Lord.

2. Group admin

3. Decisions made and key points

1. Initial discussions between Ofgem and HR suggest that although parallel charging modification proposals have not been previously envisaged, there appears not to be anything to prohibit them. Ofgem's legal team are going to provide confirmation.
2. Actions were completed (subject to follow up actions) and approved.
3. The Chair stated that the intension is to aim/plan to complete the Work Plan within the three month CUSC timescale and if it becomes apparent that this is not achievable, it will then be discussed with Ofgem. At such point the progress made so far can be reviewed and specific area of further work can be identified.
4. The first headline report is to be completed for the 20th June, for CUSC panel meeting submission.
5. Subject to minor modifications to Terms of Reference and Work Plan, the Working Group accepted the presented versions. Final versions to be submitted to the CUSC panel and TCMF.
6. Remove Graeme Cooper from WG3 membership list. Determine if GC applied as BWEA or Fred Olsen.
7. As there are two Sub Group members from RWE Npower in WG3, it was proposed that they should only have one vote in total.
8. Work plan was agreed, although HR highlighted the fact that the two distinct phases of proposal development and then proposal assessment have not been explicitly separated, although this is the process that should be followed.
9. For the avoidance of doubt, WG3 will not be specifically responsible for producing a Working Group report, but will be contributing sections into the other six Working Group reports, one for each of the CUSC modifications (161-166).

Zoning methodology: See slides for detail

10. Justification for moving away from the existing TNUoS generation zoning methodology was provided, in order to better facilitate the suite of long and short-term CUSC amendments.

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11. Two potential models were presented:
12. A Scenario-based Zoning Methodology (SZM) which considers the actual boundary constraints of the transmission system and follows the process of: 1. identifying candidate boundaries; 2. Identifying critical circuits for these boundaries based on a number of scenarios compliant with GB SQSS; 3. The calculation of sensitivity factors at all nodes with regard to the critical circuits. 4. The grouping together of those nodes which have similar sensitivities.
13. A Network-based Zoning Methodology (NZM) which does not consider actual boundary constraints, but works on a 'hub and spoke' principle and considers the change in voltage angles resulting from the swapping of TEC at individual nodes as the parameter for determining relevant zones.
14. If zones were overlapping (e.g. for the suggested approach of having a unique zone for each generation node) how would you stop sequential trades, moving access between all parties.
15. Would be good to have an idea of what effect on total constraints will be for both the methodologies discussed.
16. Success of zones should be measured against three criteria; liquidity, stability and impact on constrain costs.
17. If access products are going to be sold for over 20 years in the future, the product (and therefore zones) need to be robust or the product could just become worthless. Need to closely tie up work with WG2.
18. Further analysis to be performed on three models:
 - SZM – Which base scenarios are used (no and type)?
 - NZM – Look at various ways to define the hub node. It was thought that multiple nodal specific overlapping zones would not work.
 - Node to node exchange rate
19. It was questioned whether voltage angles were proved to be the correct criteria for defining zones. HR stated that as voltage angles is a measure of impact on boundary circuits and therefore isn't that the intention of lumping together like nodes that have a similar impact.
20. How is liquidity tested? Suggestions included number of generators in a zone, size of generators, owners of generation, load factor of generation.
21. There were two main options for a Zoning Methodology governance approach; within a Transmission License condition like C5 or C6 or have the governance defined within the CUSC. The argument was made that the CUSC defines the access product and since the zoning is part of definition the access product then it should be an annexe to the CUSC. Nevertheless, the option of a Licence Condition was not ruled out.

See slides on Local Charging

22. Three options for developing generator local charges were discussed; specific treatment for generation connection, distance to zonal hub and a deepening to the connection/ use of system asset boundary.
23. A straw man is to be produced for both a local only and a marginal investment approach for the Specific Treatment of Generation Connection methodology option. Both straw men will require assumptions to be made although this does not preclude other options to be looked at in the future.
24. In order to define the MITS substation, different rules should be tried for various

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scenarios and a set of rules may be evolved for the Sub Group to comment upon.

25. It was suggested that rather than requiring extensive adjustments to the Transport model that a work around for analysis could be to adjust the Expansion Factors for effected circuits.
26. A definition for Local Connection Capacity should be made.
27. It was questioned whether wider and local charges have to be charged on the same basis. E.g. TEC, CEC etc
28. A substation element for Local Charging could be averaged on a GB or regional basis. It may be worth looking at the revenue drivers within the Transmission License.

4. Actions and Next Steps

1. Ofgem legal team to confirm that parallel/ conflicting charging modification proposals are feasible
Action: AM
2. Meeting 1 Decisions and Actions notes to be updated with a Working Report submission date of 17th July
Action: TI
3. The first headline report is to be completed for the 20th June, for CUSC panel meeting submission.
Action: TI
4. Charging ToR to go to TCMF on the 17th June and Access ToR to be submitted to the CUSC panel meeting on 20th June.
Action: CM
5. Update both ToRs and Work Plan
Action: CM
6. Remove GC from Working Group Membership
Action: TI
7. Review and add to the TAR Risk and Issues log covering all TAR Work Groups
Action: All
8. Progress various work on a zoning methodology
Action: QZ
9. Progress various work on local Charging
Action: TI

5. Date of Next Meeting

10. The location of the next meeting 3 on 4th June, is at the EdF Energy office:

Paul Mott
Energy Branch, 2nd Floor, Cardinal Place
80 Victoria Street, London,
SW1E 5JL
0203 126 2314

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Appendix 1 – Working Group Attendance

Members Present:

Allan Kelly	AK	Scottish Power
Craig Maloney	CM	National Grid
Dave Wilkerson	DW	Centrica
Hêdd Roberts	HR	Chair
Louise Schmitz	LS	British Energy
Paul Jones	PJ	E.On
Robert Longden	RL	Airtricity
Nigel Scott	HS	SSE (SRF)

In Attendance:

Anthony Mungall	AM	Ofgem
Tom Ireland	TI	National Grid
Chris Barrass	CB	Centrica
Brian Taylor	BT	National Grid
Qiong Zhou (Jo)	QZ	National Grid

Apologies:

Barbara Vest	BV	Gaz de France
Dennis Timmins	DT	RWE npower
Frank Prashad	FP	RWE npower
David Lewis	DL	EDF Energy
Simon Lord	SL	First Hydro
Graeme Cooper	GC	Fred Olsen