

**Transmission Access Standing Group
Terms of Reference (Issue 2)
Paper to April 2007 CUSC Panel**

Introduction

1. National Grid proposes that the CUSC amendments panel re-establish the Transmission Access Standing Group, TASG, with revised terms of reference. This paper outlines proposed new working arrangements and terms of reference for the Transmission Access Standing Group (TASG).
2. The objective of TASG would be to discuss the further development of entry access arrangements that would facilitate use of the system in a more flexible manner than that currently available today i.e. more flexible trading solutions and / or flexible short term access. The standing group should also consider how any revised arrangements could better facilitate the efficient and non-discriminatory integration of renewables.

Membership of the Transmission Access Standing Group

3. All CUSC parties are invited to nominate a member for TASG. National Grid would provide members from a number of disciplines to ensure that TASG can have a full and meaningful discussion. The amendments panel would be given the opportunity to ratify TASG membership at the May panel meeting. The amendments panel would also have the right to change membership, including the Chair, from time to time.
4. The amendments panel is invited to nominate a Chair. The Chair will act impartially and as an independent chairperson.
5. Whilst it is not the intention to limit membership, in order to facilitate useful debate and a timely achievement of the objectives, it is proposed that each party, other than National Grid, limits membership to one. Any party would be free to send an alternate in place of a member. The Chair would also have the right to invite industry experts as required. A CUSC party not represented may be permitted to raise issues for discussion through formal submission to either the Chair or secretary.
6. A representative of Ofgem would be invited to attend as an observer. Other observers would be permitted at the discretion of the Chair.
7. Parties are requested to submit initial nominations for TASG membership to the CUSC amendments panel secretary by 8th May 2007.

Meeting Administration

8. The frequency of TASG meetings shall be defined as necessary by the TASG Chair to meet the Terms of Reference and timescales as defined below.
9. National Grid will provide technical secretary resource to the TASG and handle administration arrangements such as venue, agenda and minutes etc.
10. The TASG will have a dedicated page under the CUSC section of the National

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Grid Industry Information website. This will enable TASG information such as minutes and presentations to be available to a wider audience in a timely manner.

Timescales

11. The first meeting of TASG is proposed for 15th May 2007.
12. The TASG should aim to produce a final report covering all the issues in the terms of reference for discussion at the July 2007 amendments panel meeting. The TASG Chair may request a maximum additional month to produce the final report i.e. submission of the final report for discussion at the August amendments Panel.

Terms of Reference

1. The TASG has been established to consider the further development of the transmission access entry arrangements with the aim of providing greater flexibility for parties to gain or exchange access in the short term; to identify and evaluate the options for change; and identify their implications for the CUSC and other industry documents.
2. The review should consider:
 - the appropriateness of existing access products to renewables and other technologies;
 - the potential for the further developing the trading of allocated rights (TEC) between Parties;
 - the potential for allocation of 'spare' capacity by the system operator in operational timescales;
 - the potential for accommodating 'spill' in excess of allocated access;
 - the inter-relationship and linkage to other industry arrangements; and
 - how any revised arrangements would be monitored and settled.
3. Any proposed arrangements or models should be considered in the context of the relevant CUSC objectives
 - the efficient discharge by National Grid of the obligations imposed upon it under the Act and the transmission licence; and
 - facilitating competition in the generation and supply of electricity, and (so far as consistent therewith).
4. TASG should also consider the cost benefit for proposed models, including the wider implications on Industry parties e.g. increase in balancing costs; and system operator and industry implementation and enduring costs.
5. In considering the issues above, the TASG should review possible interaction with existing industry developments including, but not limited to: proposed CUSC amendments, BSC modifications, offshore project, ARODG, TADG and the cashout review.
6. The TASG Chair will be responsible for providing a verbal report on progress at each Amendments Panel Meeting. Furthermore, the TASG Chair will be responsible for producing a Standing Group Report. The report should be submitted to the amendments panel Secretary by the [July / August]

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amendments panel for circulation to Panel Members. The report should be written with reference to Section 8.18 of the CUSC. The TASG Chair will present the summary of the report to the [July/ August] amendments panel.

7. It should be noted that, in accordance with Section 8 of the CUSC, the TASG itself, as a Standing Group under the Amendments Panel, is unable to propose an amendment to the CUSC.

Relationship with Amendments Panel

8. The TASG shall seek the views of the Amendments Panel before taking on any significant amount of work.
9. Where the TASG requires instruction, clarification or guidance from the Amendments Panel, particularly in relation to their Scope of Work, the TASG Chair should contact the CUSC Panel Secretary.

Meetings

10. The Standing Group shall develop and adopt its own internal working procedures and provide a copy to the Panel Secretary.
11. The first meeting of the TASG will be scheduled for the week commencing 14th May, provisionally booked for the 15th May.