

# CAP48 Consultation Responses

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## Presentation overview

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- Consultation
- Areas of the consultation with broad consensus
- Areas of the consultation with more diverse views
- Other points made in the consultation
- Way forward

# Consultation

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- Closed on 21<sup>st</sup> October 2011
- Ten Responses (1 confidential)
- Non-Confidential responses from:
  - Centrica
  - Drax Power Limited
  - EDF Energy
  - E.ON
  - International Power
  - Renewable UK
  - RWE
  - Scottish Power Generation, Scottish Power Renewables
  - SSE

## Areas with broad consensus (1)

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- Alignment of Temporary Physical Disconnection (CAP48) compensation with Emergency De-energisation (CAP144) compensation (Q1)
  - All ten respondents (who commented) were in agreement alignment would be beneficial
- Exclusion of islanded sites from compensation (Q3)
  - Five out of eight did not support the exclusion of islanded sites from compensation
- Additional compensation period following restoration of access (Q6)
  - 5 out of 8 supported an additional compensation period although diverse views on length of period. Q7 on technology/non-technology specific, broadly split



## Areas with broad consensus (2)

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- Do you think that the current compensation based on the higher of average or actual TNUoS charges is appropriate? Please provide rationale (Q8).
  - 2 respondents thought the current TNUoS arrangements appropriate, 7 did not think it appropriate. 2 commented on average TNUoS payments not being appropriate.
- As an alternative to TNUoS question 9 asked about the suitability of LDTEC charges.
  - 4 respondents supported LDTEC, 4 did not
- Do you think an initial compensation period of up to 24 hours for transmission access loss is sufficient? Please provide rationale.(Q4)
  - 2 supported a 24 hour period, 6 were not supportive, highlighting the uncertainty a generator may face
- Question 5 asked if a 36 hour was more appropriate
  - More varied response, 3 in favour, 3 favoured longer period 2 against

## Areas with broad consensus (3)

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- Obligations on both Users and National Grid to raise claims within a defined period.
  - Q13 - Do you think that users should be required to raise claims within 30 days (or other period) of an incident?
    - 5 respondents supported a 30 limit, 3 supported a limit but questioned if longer than 30 days appropriate
  - Do you think a body other than National Grid would be more appropriate to determine the validity of a claim?
    - *4 respondents supportive of NG. 3 not supportive, 1 wanted a two stage process, other two supportive of CUSC panel*
  - Do you think National Grid/ other body should be required confirm the validity of a claim within 60 days (or other period) of receipt.
    - *Two respondents were in favour of 60 day limit, 2 supported the same limit as users had to raise a claim. Two supported a reasonable timescale.*
  - Do you think a minimum claim value of £5,000 (or other amount) would be appropriate?
    - *Three respondents supported a £5,000 limit. Four additional were in favour of a limit, two did not specify whilst two were in favour of £10,000 and £25,000.*

## Areas with diverse views (1)

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- *Do you think that additional compensation for loss of access (e.g. flat weekly rate) should be paid over and above the existing compensation levels? Please provide rationale (Q10).*
  - Four respondents did not support an additional compensation period; one commented that it would be a type of mutual insurance mechanism paid for by the wider community. One respondent commented that the introduction of an ad-hoc payment that has no industry basis would be creating an inappropriate precedence for compensation. Four respondents were supportive of an additional compensation mechanism.
- Question 11 was linked to question 10 and asked whether respondents were in favour of specific additional compensation. 2 supportive, 4 in disagreement.

## Areas with diverse views (2)

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- *Do you think the scope of Temporary Physical Disconnection compensation should be expanded to include situations where disconnection is, in part, down to a User's internal station configuration? Please provide rationale.(Q2).*
  - 3 Respondents in favour, 3 against

## Other points made in consultation

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- Compensation for damage to plant post-event
- loss of transmission access should include consideration of aligning compensation for loss arising from the issue of Emergency Instructions where compensation is only payable up to Gate Closure at Bid price with no compensation for subsequent periods
- ROCs and LECs should be included in compensation arrangements

## Way Forward

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- Progress alignment of CAP48/CAP144
- Other areas?