

## Transmission Access Working Group 2

Meeting Name	Transmission Access Working Group 2
Meeting No.	24
Date of Meeting	2 <sup>nd</sup> December 2008
Time	12:00 – 16:30
Venue	Ofgem, Millbank, London

This note outlines the key discussions, decisions and action points from the twenty fourth meeting of Transmission Access Working Group 2.

### **1. Introductions/Apologies for Absence**

1. Apologies for absence were received from Sebastian Eyre, Nick Frydas, Ed Reed, Barbara Vest (Alt. Dennis Gowland), Lisa Waters.

### **2. Update from National Grid-Ofgem TAR Meeting**

2. HR noted that he had met with representatives from Ofgem in the morning. They discussed where the Working Groups were with the current amendments.
3. During the meeting the alternative to CAP164 was considered. Whilst the alternative was considered positively it was noted that post-commissioning generators were not included in the new arrangements under this proposal and there was only a single opportunity to find the price/value of the access that people were willing to pay. A development of BR's alternative to CAP166 could potentially offer some of the advantages of the CAP164 alternative and address some of its potential deficiencies.
4. Ofgem noted that the timescales for the TAR project were very important however, Ofgem would like to have all the options on the table when they have the opportunity to make a decision. SCK noted that they were minded to accept a six week extension to CAP166. Ofgem think BR's alternative has some features that are not captured by the other amendments.
5. GG asked if the intention was to continue with CAP164. HR noted that the intention is to develop BR's CAP166 alternative whilst being mindful of the CAP164 proposals. GG noted that CAP164 was designed to solve a different defect. He noted we should not try to solve the CAP164 defect with an alternative to CAP166.
6. SL suggested it would be good to finish the work we have done so far on the first two models and then spend six weeks on BR's model. HR suggested that today we should go through the changes to the current Working Group report, the group should also decide if we want to ask the CUSC panel for an extension if we decide to develop BR's proposal we should make a plan of how to do this.
7. GG noted that if we require six working weeks to develop the proposal we would need eight weeks in total due to Christmas. In this case we would miss the January CUSC Panel so would need to organise a Panel meeting for early February.
8. It was noted that the group had previously voted not to take forward BR's proposal. Some members of the working group pointed out that their vote had been influenced by the assumption that no more time was available.
9. HR asked the Working Group if they believed the group should seek a six week extension to develop BR's alternative. The majority of the group voted that we should ask for an extension from the CUSC panel. RR noted that the six weeks should not be spent constantly in meetings.

### 3. Review of CAP166 Working Group Report

10. The group agreed that as the CUSC Panel could potentially decline any request for an extension it was necessary that the current Working Group report be submitted to the CUSC Panel. The Working Group reviewed the Report for the CUSC Panel. This note covers areas which required further debate. Comments agreed by the group are included in the report.
11. The group considered whether in the boundary model you have to be connected during first year or would you be able to bid for capacity in the first auction if you were not connected yet. The group considered that all users with existing agreements would get LCNs. This would allow them to enter the auction. The baseline in the auction would take into account any generation capacity which was connected or connecting in the first year. This would lead to everyone getting capacity in the first year of the auction. If there were no reserve prices they could get capacity for free.
12. The group discussed when additional capacity, built during the year would be included in the baseline. The auction would include additional capacity in the auction in the first full year it was there. This would leave some capacity when a line was newly built which would be allocated through short-term access arrangements. GG was concerned that if a User could bid in an auction when they only had LCN for part of the year they could end up bidding in an auction before the additional capacity they require is included in the auction.
13. Some members of the group were concerned that there would have to be assumptions made about the load factor if the SRMC was not in £/MWh. There was also concern about cash flow moving between TNUoS and BSUoS. It was agreed to note these concerns in the report. It was noted that these issues will need to be considered further if an extension is give to discuss BR's proposal.

### 4. Vote

15. The Working Group voted on whether they believed the original or the Working Group alternatives are **better than the current baseline**. The result of the vote is described in the following table:

Proposal	Better	Not better	Abstained
Original	0	13	0
WGAA1	0	13	0
WGAA2	2	11	0

16. The Working Group voted on whether they believed the Working Group alternatives are **better than the original proposal**. The result of the vote is described in the following table:

Proposal	Better	Not better	Abstained
WGAA1	1	8	4
WGAA2	3	6	4

17. The majority of the Working Group believed WGAA1 and WGAA2 were not better than the original or the baseline. The Chair of the Working Group with support of some members of the Working Group took forward WGAA1 and WGAA2. It was noted that if the group received an extension it was important to keep these alternatives under consideration in case further analysis of WGAP1 influences the assessment of these

## Transmission Access Working Group 2

alternatives.

18. The Working Group voted on which of the proposals they believe best facilitates the applicable CUSC Objectives. The result of this vote is described in the following table:

Proposal	Best
Original	0
WGAA1	0
WGAA2	2
Abstained	11

### 7. Date and Location of Next Meeting

19. The next meeting will be on the 10<sup>th</sup> of December at the Warwick Hilton.

### Appendix 1 – Working Group Attendance

#### Members Present:

Hédd Roberts	HR	Chairman
Sarah Hall	SH	Technical Secretary
Mark Duffield	MD	National Grid
James Anderson	JA	Scottish Power
Stuart Cotton	SC	Drax Power
Garth Graham	GG	Scottish and Southern Energy
Dennis Gowland	DG	Fairwind (Orkney) Ltd.
Paul Jones	PJ	E.on
Simon Lord	SL	First Hydro
Fiona Navesey	FN	Centrica
Bill Reed	BR	RWE npower
Rob Rome	RR	British Energy
Helen Snodin	HS	Scottish Renewables Forum

#### In Attendance:

Stephen Barnett	SB	National Grid
Elaine Calvert	EC	National Grid
Stuart Cook	SCK	Ofgem
Min Zhu	MZ	Ofgem

#### Apologies:

Sebastian Eyre	SE	EDF Energy
Nick Frydas	NF	Merrill Lynch
Ed Reed	ER	Smartest Energy
Barbara Vest	BV	Gaz de France
Lisa Waters	LW	Welsh Power