

**Minutes and Actions Arising from Meeting No.67
Held on 31 August 2007
At National Grid Office, Warwick**

Present:

Simon Cocks	SC	Panel Chairman
Emma Carr	EC	Panel Secretary
Hedd Roberts	HR	Panel Member (National Grid)
Duncan Burt	DB	Panel Member (National Grid)
Paul Jones	PJ	Panel Member (Users Member)
Malcolm Taylor	MT	Panel Member (Users Member)
Tony Dicicco	TD	Panel Member (Users Member)
Garth Graham	GG	Panel Member (Users Member)
Bob Brown	BB	Panel Member (Users Member)
Dick Cecil	DC	Panel Member (Users Member)
Hugh Conway	HC	energywatch Representative
Steve Mackay	DE	Authority Representative

In Attendance:

Kathryn Coffin	KC	BSC Panel Representative
Paul Mott	PM	EDF energy
Dave Wilkerson	DW	Centrica
Mike Davies	MD	Wind Energy (Forse) Ltd

1 Introductions/Apologies for Absence

1189. Apologies were received from Simon Lord and Beverley Viney.

2 Minutes of the Meeting held on 29 June 2007

1190. The minutes of the 66th CUSC Amendments Panel meeting held on 27th July 2007 were AGREED subject to minor amendments.

3 Review of Actions

1191. **Action 1175** – CAP149 Terms of Reference to be circulated for acceptance – action complete.

1192. **Action 1186** – BV to update Working Group Terms of Reference for Panel Approval – complete and on Agenda for approval under AOB.

1193. **Action 1187** – BV to circulate headline report of July Panel – action complete.

4 New Amendment Proposals (as at 23/08/07)

CAP158: Provision of interim response volume information

1194. DB gave a presentation on CAP158 which is available on the CUSC Website at <http://www.nationalgrid.com/NR/ronlyres/B95CA49C-C8C7-4454-8852->

[C6B0B3933880/19714/CAP158Presentationto31August2007.pdf](http://www.nationalgrid.com/NR/ronlyres/5BA2EB95-CFDB-4341-A0AB-E85C2BF35F6C/19714/CAP158Presentationto31August2007.pdf)

1195. It was agreed that CAP158 should proceed to Consultation for 4 weeks.

5 Standing/Working Group Reports

1196. **BSSG (Balancing Services Standing Group)** – DB gave a verbal update on the good progress being made at the Standing Group. DB outlined that the group is currently focusing on frequency response and reactive power. The next meeting of the Standing Group will be held in five weeks time.

1197. **TASG (Transmission Access Standing Group)** – HR gave a presentation. Slides can be found on National Grid website see link below <http://www.nationalgrid.com/NR/ronlyres/5BA2EB95-CFDB-4341-A0AB-E85C2BF35F6C/19713/TransmissionAccessStandingGrouppresentationto31Aug.pdf> PJ agreed that the Terms of Reference have been completed and that the report was a fair reflection of the groups debate. TD questioned how the Standing Group Report would interact with the Transmission Access Review (TAR) to ensure the good work of the group was not wasted or repeated in the review. SC agreed to write to the TAR group to formally submit the Standing Group's report and offer a sub set of the Panel Members who had attended the Standing Group to assist, if required.

1198. CUSC Amendments Panel Chair to write to the Transmission Access Review to submit the TASG report as an input for the review.

Action SC

1199. The Panel agreed that the Terms of Reference for the Standing Group have been completed and the group should be disbanded.

1200. **CAP148: Deemed Access Rights to the GB Transmission System for Renewable Generators** – MT gave a presentation. Slides can be found on National Grid website see link below <http://www.nationalgrid.com/NR/ronlyres/548724FC-8D71-4303-8F10-4726CAD70ED3/19716/CAP148wgreportAUG07final.pdf>. SC asked the Panel to consider if the issue surrounding discrimination and cost of carbon had been considered fully by the Working Group. GG indicated that he would be responding to the consultation independently on the legality of CAP148. PJ believed that even if the Working Group were given more time the group would be unlikely to develop further arguments within the CUSC framework. TD stated that the Working Group received lots of legal and technical advice and believes the wider debate surrounding legality and Ofgem's role are not within the remit of the Working Group.

1201. MT as chair of the Working Group gave an overview of the discussions and outlined how difficult CAP148 was to assess against the CUSC Applicable Objectives as the proposal has a wide reaching impact. BB believed there was enough information within the report for parties to form a view about CAP148.

1202. DC stated that time and effort could have been saved if the regulator had given a preliminary view on CAP148. DC believes additional paragraphs should be added to the report to reflect the groups' discussions on the wider aspects of the amendment surrounding discrimination, even though such views are strictly outside the CUSC

Applicable Objectives.

1203. DB stated that Ofgem would have been unable to provide a preliminary before the Working Group had concluded as the details of the amendment had not been fully discussed and developed. DB also agreed with DC that additional paragraphs should be included within the report to facilitate consultation respondents giving their view on the issue of discrimination.
1204. GG suggested that the legal meaning of discrimination would therefore need to be defined within the report. SC suggested such information should be within an annex. GG also had a query relating to the legal text.
1205. The Panel agreed that the Working Group should amend the report to add additional information regarding the assessment of due and undue discrimination and clarify GG legal text query. To be completed by the Working Group next week for CUSC Amendment Panel approval via e-mail prior to Consultation by National Grid.
Action MT, CAP148 Working Group and Panel members
1206. MT provided an overview of the process from the chairman's perspective and stated that CAP148 was difficult to assess due to the charging, discrimination, environmental implications. Despite the difficulties MT believed the group contributed fully to the debate. MT found it difficult to link the wider environmental objectives to the CUSC Applicable Objectives.
1207. MT stated that as the assessment was bound by the CUSC Objectives he did not believe it was the optimal solution and this should be brought to the attention of TAR.
1208. PJ stated that CAP148 was only to be assessed against the narrow framework of the CUSC and it was not the role of the CUSC Amendments Panel to speculate over government policy. PJ believed that the report reflects this well and is not sub-optimal solution based on the current framework.
1209. PJ stated that the environmental objectives do not for part of the CUSC Objectives since they are covered elsewhere (i.e. EU ETS, CCL and ROCs) and Ofgem's letter was not helpful in that aspect. TD agreed with this statement.
1210. GG reminded the Panel that there are four key energy goals that form the Government's energy policy (as laid out on page 6 of the May 2007 Energy White Paper) and that promoting renewables in preference to none renewable generation is not one of them. Therefore we need to be mindful of not inferring what Government energy policy is from comments, aspirations, targets, ideas, views etc., that are adduced as being Government energy policy.
1211. **CAP149 TEC Lite** – TD gave a verbal update on the good progress being made by the Working Group, highlighting the issue that CAP149 may not necessarily require a new access product called TEC Lite. TD intends to have the report ready for the September Panel meeting.
1212. **CAP150-155 Capacity Reduction: Construction Agreements Works Register: Exhibit D, B, F & I revisions.** – DB gave a verbal update on the good progress of the Working Group.
1213. **CAP157 - Extension of Qualified Company Definition** – BB gave a verbal update

on the good progress of the Working Group and identified no significant issues have been raised so far, if this remains the case the Working Group report may be ready for the September Panel meeting.

1214. The Terms of Reference were presented to the Panel and agreed subject to changes to the generic elements see AOB.

EC to update generic elements of the Terms of Reference

6 Consultation Papers (as at 23/08/07)

1215. **CAP156 - Reactive Power Default Payment Rate** – Use of Spectron Power Index - EC informed the Panel that the Consultation Alternative closed on 6th September 2007

7 CUSC Amendment Panel vote

1216. **CAP143 – Interim Transmission Entry Capacity (ITEC).** HR gave a presentation summarising CAP143. Slides can be found on National Grid website see link below <http://www.nationalgrid.com/NR/rdonlyres/A45D58A0-7559-4EF2-B69A-5613729BF92B/20028/CAP143presenationto31August2007.pdf> The Panel undertook a vote on the Original and each Alternative compared to the CUSC baseline, then a vote as to which they considered to be the best overall. The results of the Panel Recommendation Vote are detailed below:

Original	NO (Majority of 7 to 1)
WGAA	NO (Majority of 7 to 1)
CAA 1	NO (Majority of 7 to 1)
CAA 2	NO (Majority of 7 to 1)
BEST	Majority of 6 to 2 believe that the current CUSC baseline is better than CAP143 proposal and the alternatives.

1217. **CAP144 - Emergency Instructions to emergency deenergise** - DB gave a presentation summarising CAP144. The Panel undertook a vote on the Original and each Alternative compared to the CUSC baseline, then a vote as to which they considered to be the best overall. The results of the Panel Recommendation Vote are detailed below:

Original	YES unanimous
WGAA 1	YES (Majority of 7 to 1)
WGAA 2	NO (Majority of 6 to 2)
CAA 1	YES (Majority of 5 to 3)
CAA 2	NO (Majority of 5 to 3)
BEST	WGAA 1 with a majority of 4 to 3, as one Panel Member abstained from voting.

1218. **CAP146- Responsibilities and liabilities associated with Third Party Works and Modification made by Modification Affected Users** - DB gave a presentation summarising CAP146. Slides can be found on National Grid website see link below. The Panel undertook a vote on the Original and each Alternative compared to the

CUSC baseline, then a vote as to which they considered to be the best overall. The results of the Panel Recommendation Vote are detailed below:

Original	NO (Majority of 6 to 2)
WGAA A	NO (Majority of 5 to 3)
WGAA B	NO (Majority of 6 to 2)
WGAA C	Even split
WGAA D	YES (Majority of 5 to 3)
CAA	YES (Majority of 5 to 3)
BEST	WGAA D with 4 votes, please note WGAA A received 2 votes, WGAA B and C received 1 vote each

8 Pending Authority Decisions (as at 23/08/07)

1219. None

9 Authority Decisions (as at 23/08/07)

1220. None

10 Report on other Industry Documents (BSC, STC, Grid Code and DCUSA)

1221. EC provide the Panel with a heads up regarding proposed area of review within the Grid Code, Governance of compliance process which will have an impact / cross governance issue with the CUSC

11 A.O.B

1222. **Working Group Generic Terms of Reference** – GG provided comments on the proposed text and subject to the discussed changes the Panel AGREED the revised Terms of Reference, which also need to be reflected in CAP157.

Action: EC to update

1223. **Urgent Proposal Guidelines** – GG and MT provided comments on the proposed text and subject to the discussed changes the Panel AGREED the guidelines to be published on National Grid’s website.

Action: EC to update and publish on the web

1224. **Consultation Alternative Template and Guidance** – MT and PJ provided comments on the proposed text and subject to the discussed changes the Panel AGREED the template and guidance to be published on National Grid’s website.

Action: EC to update and publish on the web

1225. SC on behalf of the Panel and National Grid thanked Dick Cecil for his contributions over the years as this was his last Panel meeting before is retirement as a Panel Member.

12 Record of Decisions – Headline Reporting

1226. The Panel Secretary would circulate an outline Headline Report after the meeting and place it on the National Grid website in due course.

Action – EC to circulate and publish.

13 Date of Next Meeting

1227. The next meeting is scheduled for Friday 28 September 2007, at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.