

**Minutes and Actions Arising from Meeting No.78
Held on 29 February 2008
At National Grid Office, Warwick and via teleconference**

Present:

Simon Cocks	SC	Panel Chairman
Beverley Viney	BV	Panel Secretary
Hedd Roberts	HR	Panel Member (National Grid)
Duncan Burt	DB	Panel Member (National Grid)
Tony Dicicco	TD	Panel Member (Users Member)
Paul Jones	PJ	Panel Member (Users Member)
Paul Mott	PM	Panel Member (Users Member)
Garth Graham	GG	Panel Member (Users Member)
Simon Lord	SL	Panel Member (Users Member)
Bob Brown	BB	Panel Member (Users Member)
Hugh Conway	HC	energywatch Representative
Dipen Gadhia	DG	Authority Representative

In Attendance:

Alison Kay	AK	National Grid
Emma Carr	EC	National Grid
John Greasley (part of the meeting)	JG	National Grid
Kathryn Coffin (via telephone)	KC	BSC Panel Representative
Dave Wilkerson	DW	Centrica

1 Introductions/Apologies for Absence

1398. There was a full Panel attendance and hence no apologies were received.
1399. SC announced that this was his last CUSC Panel as Chair and that as of 1st March he was standing down and introduced Alison Kay who will be the new CUSC Panel Chair.

2 Minutes of the Meeting held on 25th January 2008

1400. The draft minutes v0.4 of the 77th CUSC Amendments Panel meeting held on 25th January 2007 were AGREED with minor amendments.

3 Review of Actions

1401. **Action 1394:** BV to investigate governance options following comments made in CAP158 decision letter – see item 5.
1402. **Item 1395:** BV to circulate and publish headline report - complete.

4 New Amendment Proposals (as at 21/02/08)

1403. None.

5 Standing/Working Group Reports

1404. **BSSG (Balancing Services Standing Group)** – The next BSSG will be held on 17th March 2008, and the CUSC Panel will be updated with the details of the meeting at the next CUSC Panel.

1405. **Governance Standing Group (GSG)** – A draft terms of reference was presented to the CUSC Panel by BV, and permission was sought to convene the GSG to look further at the issues of the number of Consultation Alternatives Proposals and the best way to analysis these.

1406. The Panel agreed for the GSG to commence and nominations should be sent to Beverley.Viney@uk.ngrid.com by Friday 7th March.

1407. GG and BB proposed some amendments to the Terms of Reference and BV will update as requested.

Action BV

6 Consultation Papers (as at 21/02/08)

1408. None.

7 CUSC Amendment Panel vote

1409. **CAP149 –TEC Lite:** HR updated the Panel that at the January 2008 Panel whilst the Panel had voted on the different options i.e. CAA, original etc., the vote for the preferred implementation date had been overlooked.

1410. After discussion on which was the best option (5 days or 1 month after Authority decision) the panel voted unanimously for 1 month.

1411. In addition, Ofgem highlighted a concern raised by Scottish and Southern Energy regarding the way their original proposal and consultation alternative amendment were represented in the Amendment Report. Ofgem were concerned that any misrepresentation may mean that the CUSC panel recommendation is flawed and therefore the CUSC Panel were requested to consider a further consultation.

1412. This was discussed in detail by the Panel. The Panel made the comment that SSE had the opportunity to comment at the Working Group Report, and Consultation Document stages, however it was only at the Amendment Report stage that the comments were received.

1413. A Panel Member made the observation that a CUSC Amendment Proposal does not belong to any one CUSC Party. A party proposes an amendment however through the process of the Working Group this can be different to the end product and the Proposer should not be able to stop the process near completion by stating that it is

not as they originally proposed. This was supported by the Panel.

1414. The Panel unanimously agreed that the representation of the Working Group and Consultation Alternative Amendment A within this Amendment Report was fair and balanced and National Grid's inclusion or rejection of Scottish and Southern Energy's comments was appropriate.

1415. **CAP150 – Capacity Reduction:** DB gave a presentation which can be found on the National Grid Web site at <http://www.nationalgrid.com/NR/rdonlyres/73E524BF-4CF7-4685-B83D-1539F654B05B/23896/CAP150Capacityreductionvotefeb08.pdf>.

1416. In the discussion that followed, DG raised a concern regarding the legal text, in that the text referred explicitly to 'CAP131'. The Panel discussed this: the intention of the reference to CAP131 was to highlight that should CAP131 be approved, it would result in additional text being added to the legal text that was also being altered by CAP150. However, for clarity of drafting, it was agreed that the reference to CAP131 would be removed.

Action DB

1417. A Panel Member questioned the reference to Completion Date within the report and it was agreed that this would be removed or changed to Backstop Date as appropriate.

Action DB

1418. Some minor typing errors within the report were identified by a Panel Member, correction of these were agreed.

Action DB

1419. DG expressed concern that the Report did not reflect the impact on non-CUSC parties particularly small and medium embedded Power Stations. It was agreed that this would be added to the report.

Action EC

1420. DG expressed concern that there was no materiality information in the Report or how many MW would be released. The Panel agreed that this information was not available, however, it was suggested that in a year's time it could be reviewed to see how much had been released since CAP150 was implemented should it be approved.

1421. DG encouraged that all future reports should have more analysis in the main body of the Report. DB agreed to add further detail on DG's main points to the report.

Action DB

1422. Due to the number of changes agreed for the Report the Panel requested more than the usual 5 days to review the Draft Amendment Report following Panel Vote. This was agreed.

1423. Following the presentation the result of the Panel Recommendation Vote as to whether the following BETTER facilitated the Applicable CUSC Objectives was as follows:

CAP150 – Capacity Reduction

Original	- Yes unanimously
WGAA	- No majority
CAAA	- Yes unanimously
CAAB	- 4 voted Yes, 4 voted No
CAAC	- 4 voted Yes, 4 voted No
BEST	- CAA by a majority of 7 out of 8

8 Pending Authority Decisions (as at 17/01/08)

1424. For the following Pending Authority Decisions there was nothing further to report
- CAP131: User Commitment for New and Existing Generators
 - CAP144: Emergency Instructions to emergency deenergise
 - CAP148: Deemed Access Rights to the GB Transmission System for Renewable Generators
 - CAP149: TEC Lite.
1425. A Panel Member expressed concern at the length of time that CAP131 had been with the Authority for consideration.

9 Authority Decisions (as at 21/02/08)

1426. CAP151: Construction Agreements Works Register – approved to be implemented on 1st April.
1427. CAP152 - 155: Exhibit B, D, F & I Revisions – approved and implemented on 14th February.
1428. CAP157: Extension of Qualified Company Definition – approved and implemented on 14th February.
1429. CAP159: Arrangements for CUSC Mid- Term elections – this was approved and implemented on 27th February, and the Panel were advised by BV that notice of an interim election had been given.

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

1430. **BSC** – Two proposals have been sent back to Working Group for further cost benefit analysis. These Working Groups are finding it difficult to quantify benefits. It has been decided that analysis using qualitative assumptions to try and quantify the ‘order of magnitude’ of the benefit are better than no benefit details at all, so long as the assumptions are detailed in the Report.
1431. P211 and P212 have reached their first cut off date for implementation. Black start and FSC Issues groups are continuing along with cash out.
1432. **Grid Code** – Legal changes for CAP144 out for consultation, there are potential further changes to the CUSC. D/07– Compliance Frequency Response has been rejected by Ofgem. Compliance Frequency Response requirements will now be referred to the BSSG by the Grid Code Panel for further discussion.
1433. **STC** – Progressing changes for costs of CAP045.
1434. **Governance Review** – A seminar was held on 28th February, consultants have now been appointed for independent critique. ‘Way forward’ document is expected to be published by Ofgem by end of June.

1435. **Offshore Transmission** - JG gave a presentation on the developments on Offshore Transmission which is available on the internet at <http://www.nationalgrid.com/NR/rdonlyres/E744E911-E144-47F1-A943-7CA5A801C8B9/23894/Feb08OffshoreTransmissionCUSCPanel.pdf>.

1436. **Transmission Access Review** – HR gave a presentation on the Transmission Access Review which is available on the internet at http://www.nationalgrid.com/NR/rdonlyres/D3B1EC51-14A7-4FEA-9DED-3BE0498E9B68/23895/Feb08TransmissionAccessReview_CUSCpresentation.pdf

11 A.O.B

1437. The Panel were advised of the open letter published by Ofgem on the replacement of energywatch.

1438. SC thanked the Panel and BV for the work they had undertaken and the professionalism of the Panel. The Panel also thanked SC for his work as Chair.

12 Record of Decisions – Headline Reporting

1439. The Panel Secretary would circulate an outline Headline Report after the meeting and place it on the National Grid website in due course.

Action – BV to circulate and publish.

13 Date of Next Meeting

1440. The next meeting is scheduled for Friday 28th March 2008, at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.