

**Minutes and Actions Arising from Meeting No.89  
Held on 21<sup>st</sup> November 2008**

**Present:**

Chris Bennett	CB	Panel Chairman
Emma Carr	EC	Secretary
Hêdd Roberts	HR	Panel Member (National Grid)
Paul Jones	PJ	Panel Member (Users Member)
Paul Mott	PM	Panel Member (Users Member)
Garth Graham	GG	Panel Member (Users Member)
Bob Brown	BB	Panel Member (Users Member)
Barbara Vest	BV	Panel Member (Users Member)
Simon Lord	SL	Panel Member (Users Member)
Tony Dicicco	TD	Panel Member (Users Member)
Mark Feather	MF	Ofgem Representative via teleconference
Dipen Gadhia	DG	Ofgem Representative via teleconference

**In Attendance**

David Jones	DJ	BSC Panel Representative
Dave Wilkerson	DW	

**1 Introductions/Apologies for Absence**

1661. Apologies for absence were received from Alison Kay and Hugh Conway.

**2 Minutes of the Meeting held on 27<sup>th</sup> June 2008**

1662. The draft minutes of the CUSC Amendments Panel meetings held on 3<sup>rd</sup> October 2008 were AGREED with minor amendments.

**3 Review of Actions**

1663. None

**4 Standing/Working Group Reports**

1664. **CAP161 – SO Release of Short Term Access Rights:** HR provided a brief overview presentation of the amendment and alternatives to the Panel. CB asked the Panel if they believed the Working Group had completed its Terms of Reference. BB wished to raise a number of common issues on the process before the Panel considered if the Terms of Reference have been completed. Firstly BB thanked HR and the National Grid representatives at the Working Group's for all their effort and hard work. Secondly BB raised concerns regarding the timetable and the length of time for the Working Group Consultation and how this has an impact upon the quality of analysis and the pressure placed on all those involved.

1665. BV questioned the level of information for users to fully understand the impact upon them, especially in terms of IS. HR reminded the Panel that full IS impacts take a considerable amount of time and require more information and the analysis can only

be undertaken once the Working Group has decided upon the final amendment proposal.

1666. GG raised a concern that more analysis would be required to be undertaken to develop the final amendment when the Working Group has concluded. He believed that there is a gap between the Panel's decision and Ofgem's, i.e. should Ofgem receive more information than the Panel? MF stated that this is the purpose of Impact Assessments to obtain further information. GG believed that IS development would further develop an amendment. EC reminded that Panel that the IS development is unlikely to change the proposed drafting of the CUSC and is therefore not developing the amendment from a CUSC perspective. However, if the IS development did require a change to the CUSC drafting a further CUSC amendment would be required. PJ supported by DW stated that the methodologies will be developed following the conclusion of the Working Groups and would not affect the Working Group reports.

1667. CB asked if this report is ready to progress to the next stage. BV requested that the concerns are recorded within the Working Group reports under Panel views. HR took an action to update all of the reports. The Panel also agreed that the process concerns should be reflected in the Company Consultation.

**Action:HR**

1668. TD and PJ stated that the timetable for the Working Group's was set within the constraints of the CUSC and against a background of political pressure.

1669. GG requested Ofgem to indicate if they believed more work is required. MF indicated it would not be appropriate to provide a view on whether further analysis is required as there may be issues identified after the Amendment Report is submitted to Ofgem.

1670. The Panel agreed, with all of Panel Members stating that given the time constraints, that CAP161 was ready to proceed to the next stage and that the Working Group Terms of Reference have been completed. The Panel also agreed that the process concerns should be reflected in the Company Consultation.

1671. **CAP162 – Entry Overrun:** HR provided a brief overview presentation of the amendment and alternatives to the Panel. DW and PJ raised the issue regarding CUSC and parallel charging methodology developments. HR noted that with this amendment in particular it was difficult to separate the two; however the CUSC Panel needs to focus on CUSC matters only. DJ also requested Ofgem's views on whether CAP162 was ready to progress to the next stage? MF indicated it would not be appropriate to provide a view on whether further analysis is required as there may be issues identified after the Amendment Report is submitted to Ofgem.

1672. The Panel agreed that CAP162 was ready to proceed to the next stage and that the Working Group Terms of Reference have been completed. The Panel also agreed that the process concerns should be reflected in the Company Consultation.

1673. **CAP163 – Entry Capacity Sharing:** HR provided a brief overview presentation of the amendment and alternatives to the Panel. GG provided HR with comments on all aspects of the report.

1674. The Panel agreed that CAP163 was ready to proceed to the next stage and that the Working Group Terms of Reference have been completed. The Panel also agreed that the process concerns should be reflected in the Company Consultation.

1675. **CAP164 – Connect and Manage:** HR provided a brief overview presentation of the amendment and alternatives to the Panel. GG provided HR with a number of comments on the report. BV asked if more time is required to develop the alternative. HR suggested that this is not required but the charging working group will need to continue.
1676. The Panel agreed that CAP164 was ready to proceed to the next stage and that the Working Group Terms of Reference have been completed. The Panel also agreed that the process concerns should be reflected in the Company Consultation.
1677. **CAP165 – Finite Long Term Entry Rights:** HR provided a brief overview presentation of the amendment and alternatives to the Panel. BV asked if all the alternatives are ready to go or does the Working Group need more time? HR stated that all are based on previous Working Group Alternative and therefore further time is not required. BB asked if more financial cost benefit information could be included in the reports. HR explained the difficulties and the only way this can be undertaken is via scenarios. The Working Group were concerned that a limited number of scenarios could mislead and on balance it was agreed not to include them within the report. However, HR did suggest that the scenarios could be added to the website.
- Action: HR**
1678. TD asked why there are so many alternatives. HR explained the process the Working Group adopted and those which did not receive a majority vote in terms of better than the CUSC Applicable Objectives but had an even split were taken forward as an alternative. TD suggested that this needs to be reflected in the Working Group report. MF raised a concern regarding small parties in adopting such an approach. EC suggested that this should not be the case and under AOB the Governance Standing Group should be re-established to review the new CUSC process.
1679. GG provided HR with a number of comments on the report and noted that during the Working Group Ofgem took an action to provide information on the position of non-physical players. GG requested that this should become a formal action of the Panel to ensure it is not missed.
- Action:Ofgem**
1680. A majority of the Panel believed that CAP165 was ready to proceed to the next stage and that the Working Group Terms of Reference have been completed. BB and GG believed that more analysis and scenarios are required. The Panel also agreed that the process concerns should be reflected in the Company Consultation
1681. CB thanked all Working Group members for their efforts and TD stated that everyone contributed fully.
1682. **CAP166 – Long Term Entry Capacity Auctions:** HR informed the Panel that there is an alternative (Working Group 2) which was raised early on in the process which the Working Group has not had time to develop. It is estimated that a further 6 weeks would be required to develop the alternative and the two week extension previously granted is being used to develop Working Group Alternative Amendment 1. The Panel questioned whether it should be developed. HR was unable to provide a steer from the Working Group as the Working Group had not voted to determine whether a majority believed this to be the case. HR was given an action to obtain a clear steer from the Working Group and for the Panel to consider extension options at the next Panel meeting. GG suggested that CUSC 8.17 meant that the Panel could remit the Amendment back to the Group if it felt that the assessment was

incomplete but EC countered with the view that all activity must be complete within the timetable set by the Panel and this timetable is subject to the Authority agreeing to any assessment period greater than 4 months, which is CUSC 8.16. BB questioned if National Grid has enough resource going forward to undertake such work?

**Action:HR**

1683. The timescales for CAP161 to CAP165 were discussed and the Panel agreed to allow a late submission of draft Amendment Reports on 17<sup>th</sup> December prior to the Panel on the 19<sup>th</sup> December subject to the Panel receiving all consultation responses by 15<sup>th</sup> December.

1684. EC requested a late Panel paper on Wednesday 3<sup>rd</sup> December 2008 for CAP166. GG requested that the Consultation Responses should be made available on the website ASAP.

### 5 A.O.B

1685. **Governance Standing Group (GSG):** As raised earlier EC suggested that the GSG should be re-established at the next Panel meeting to undertake a review of the new process including the interaction of the CUSC with the charging methodologies and to support Ofgem's Industry Code Governance Review. The Panel agreed.

**Action:EC**

1686. **Transmission Networks Quarterly Connections Update:** BV raised the usefulness of this report in terms of updates on the queue and the use of CAP150 capacity reduction clause. The Panel agreed that it would be useful for this information to be presented and discussed at future Panel meetings.

1687. **Ofgem Renewable factsheet:** BV raised concerns regarding the factsheet and requested the Panel's views. PJ questioned the tone of the factsheet and said it was not helpful when the industry, Ofgem and Government are all working to address the issues facing developers. DG and MF stated that they had not seen the factsheet and could therefore not comment. GG stated that if Ofgem were unhappy with the current governance and codes that these were set by government and any changes are made with Ofgem's approval. SL believed it was wrong to call it a factsheet as it appeared to be more opinion rather than facts. MF/DG agreed to feedback concerns to the Transmission Team.

**Action:Ofgem**

1688. **Ofgem consultation on Decision by dates:** BV brought Ofgem consultation to the Panel's attention and MF provided background. It was agreed that an overview will be presented at the next Panel meeting.

**Action:EC**

1689. MF informed the Panel that the next Ofgem Consultation for the Industry Code Governance review on Objectives will be published later today.

### 12 Record of Decisions – Headline Reporting

1690. 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**

1691. The next meeting is scheduled for Friday 5<sup>th</sup> December 2008, at National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA.