

Headline Report

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| Meeting Name | Grid Code Review |
| Meeting Number | 23 |
| Date of Meeting | 20 th July 2006 |
| Time | 10:00am – 02:30pm |
| Venue | National Grid Offices, Lakeside House, Northampton |

This note sets out the headlines and key decisions of the Grid Code Review Panel on the 20th July 2006. Full minutes of the meeting will be produced and subsequently approved at the next Panel meeting and will then be published on the website.

1) Minutes of Previous Meeting

The minutes of the Grid Code Review Panel Meeting held on 23rd February 2006 have been APPROVED and will be accessible from the Grid Code website.

2) Grid Code Review Panel Membership

The Panel NOTED that National Grid had received queries from manufacturing suppliers regarding the vacant Suppliers' seat. It was acknowledged that manufacturers did not meet the essential criteria for being appointed into the vacant position i.e. Electricity Supplier's licence granted by the Authority.

The Panel AGREED that it would not be appropriate to have a manufacturing representative on the Panel as the Grid Code was principally concerned with the performance and output of the Transmission System. It was acknowledged that there may be occasion when the GCRP require expert advice from manufacturers and on such occasions the relevant parties would be invited to attend and/or present to the GCRP and/or Working Group.

3) Proposed Grid Code Changes

New Annex to General Provisions – Control Telephony

National Grid provided an overview of the proposed new Electrical Standard on Control Telephony and the consequential changes to CC.6.5.5. The Panel AGREED that the minor modification required to the Grid Code should proceed directly to a short Industry Consultation, which will make specific reference to the new standard, in the form of an appendix to the consultation document, to assist in industry awareness of the new standard.

The Panel AGREED that were the proposed Grid Code change to CC.6.5.5 to be approved by the Authority; the associated Electricity Standard would be circulated to the GCRP by e-mail for sanctioning at that point. Clearly if objections were raised at that stage the Electrical Standard would subsequently be discussed at the full GCRP.

4) Working Group Reports

P2/5 Working Group

National Grid gave the Panel an update on the P2/5 Working Group. The Panel NOTED that the legal text would be circulated to the Working Group in forthcoming weeks for comment. A further meeting of the Working Group may be required, prior to Industry Consultation, to discuss the proposed legal text and obtain clarification and additional information from members on a number of issues.

Power Park Modules and Synchronous Generating Units Working Group

National Grid gave the Panel an update on the Power Park Modules and Synchronous Generating Units Working Group. The Panel NOTED that the Working Group had discussed all items listed under the Terms of Reference, which has clarified many issues and agreement had been reached on the aims of modifying the Grid Code in most of the areas. The Panel NOTED that there remained some outstanding issues for which group members felt that further clarification was required.

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National Grid has agreed to circulate associated legal text by the end of August 2006 to group members for comment. Depending on the level of agreement with the proposals, a further meeting may be held in September.

Low Voltage Demand Disconnection Working Group

National Grid gave the Panel an update on the Low Voltage Demand Disconnection (LVDD) Working Group. The Panel NOTED that a joint Working Group report will be produced and submitted to Ofgem which will discuss the impact, benefits and costs of introducing a LVDD scheme. The aim of this report is to obtain an indication of support from Ofgem before parties commit resources and time in developing a detailed design.

5) Plant Resilience Survey

National Grid gave the Panel an update on the results from the Plant Resilience Survey. The Panel NOTED that there were four main issues arising from the results and agreed to assist National Grid as appropriate in obtaining additional clarification from power stations regarding their Variable Speed Drive (VSD) applications and to support Generations and their VSD suppliers in raising their awareness of the problems experienced in other stations and hence preventive measure could be taken to avoid the unnecessary tripping of their critical drives. For the critical drive motor overloading performance issue (ie associated with depressed system frequency and voltage conditions), National Grid will give a more detailed explanation of the problem at the next meeting. Since the issue is complex, modelling approach could be adopted to illustrate the problem.

6) Offshore Transmission Network

National Grid gave the Panel an update on the latest developments regarding Offshore Transmission Networks which is currently an area of formal industry discussion via the Offshore Transmission Expert Group.

A paper outlining National Grid's initial high level thoughts on the consequential code changes necessary to facilitate the new regime was circulated to the Panel for reference purposes.

The Panel NOTED that the changes required to accommodate Offshore Transmission were significant.

7) Next Meeting

The next meeting will be held on Thursday, 21st September 2006 at National Grid's offices in Northampton. The meeting will commence at 10:00am.