

Minutes

Meeting name	Balancing Services Standing Group
Date of meeting	25 th April 2012
Time	12:00 – 14.00
Location	National Grid House, Warwick

Attendees

Name	Initials	Company
Mike Edgar	ME	Chair
Louise McGoldrick	LM	Technical Secretary
Tariq Hakeem	TH	National Grid
Tim Truscott	TT	National Grid
Sarah Owen	SO	Centrica
John Costa	JC	EDF
Cem Suleyman	CS	Drax
Guy Philips	GP	E.ON
Simon Peter Reid	SR	Scottish Power via teleconference
Bob Brown	BB	Coronwall Energy Associates – observer

Apologies

Name	Initials	Company
Lisa Waters	LW	Waters Wye
Garth Graham	GG	SSE
Allan Kelly	AK	SP Renewables
Kathryn Coffin	KC	Elexon

1 Introductions/Apologies for Absence

1. Introductions were made around the group and ME confirmed the meetings agenda.

2 Approval of Minutes from the last meeting

2. The draft minutes of the Balancing Services Standing Group meeting held on the 07th March 2012 were approved with no further comments, the minutes will be made available on the National Grid Code Website.

3 Review of Actions

3. **Action 4:** NG to look at providing clarification in the form of presentations on the difference between an emergency instruction and an emergency de-energisation and how they work.

Status: Agenda Item 4 Closed

4. **Action 6:** Comments from Standing Group members on the position paper to be received by 31st March 2012.

Update: Position paper BSSG CAP48 and CAP144 compensation updated in line with comments received and re-circulated.

Status: Closed

5. **Action 7:** National Grid to draft three CUSC modifications.

Update: Three draft CUSC modifications circulated to BSSG members on 17th April 2012.

Status: Closed

4 Emergency Instructions

6. TT gave an overview on Emergency Instructions and Emergency De-energisation Instructions detailing that:
 - Emergency Instructions are used to preserve the integrity of the NETS and any synchronously connected external system
 - Emergency De-energisation Instructions are used where the condition of Transmission Plant may cause damage or injury to people or the NETS.
7. The group discussed the differences between the two instructions. JC queried safety of personal against complying with Emergency Instructions and TT confirmed that the User must respond without delay and using all reasonable endeavours. The implementation of the Emergency Instruction may only be rejected on safety grounds either plant or personnel.
8. ME summarised that CAP48 'Firm Access and Temporary Physical Disconnection' (which requires National Grid to pay compensation in the event that a generator is disconnected from the transmission system due to an issue with NGET's system) was followed by CAP144 'Emergency Instruction to emergency Deenergise' (which established similar compensation arrangements for Emergency De-energisation instructions).

9. JC queried whether National Grid publishes any information relating to why the instructions have been utilised. TT confirmed that all Emergency Instructions are publicised. A user can ask for a Significant Incident Report if something happens on the NETS that affect them.

5 Loss of Transmission Update

10. TH confirmed that one comment had been received (from a renewable generator) on the paper entitled, "Position paper BSSG, CAP48 and CAP144 compensation", and that the paper would be updated to reflect the comment.
11. TH stated that of the proposed five possible amendments to CAP48/Cap144 compensation; three draft CUSC modifications had been circulated to BSSG members:
 - Clarification of the scope of Interruption
 - Improvement in administration arrangements in relation to Relevant Interruption claims
 - Alignment of CUSC compensation arrangements for across different interruption types
12. The group again debated as to what the compensation arrangements were trying to compensate for. JC questioned whether these arrangements should not only cover initial balancing exposure and payments made for Transmission Entry Capacity (TEC) but should be extended to consequential and opportunity losses. GP noted that differing views were held across the industry on the proportionality of compensation due given TNUoS charges and SQSS requirements and that these had already been expressed by parties in response to National Grid's consultation. ME acknowledged the different views associated with socialising compensation, self insurance and lost opportunity. ME stated that the group had reached a consensus over two areas resulting in National Grid drafting two CUSC modifications and that parties were able to raise further CUSC Modifications to address individual issues where a consensus was not reached.
13. SR raised concerns that currently National Grid publishes information that instructions have been issued but not why and felt that further scrutiny of the process may be required.
14. In relation to the draft CUSC modification for the improvement in administration arrangements, TH stated that the CUSC does not specify any timescales by which Relevant Interruption claims can be submitted and therefore this suggests that there is no time limit. TH stated that the BSSG consultation document (issued in September 2011) had included a suggestion that Users should submit a claim within 30 days and National Grid confirm the validity or otherwise of a claim within 60 days. TH mentioned that responses to the consultation did not all agree with these timescales and the draft CUSC modification did not include any timescales and that these would be agreed at a later date.
15. SR commented that perhaps National Grid should be obligated to advise Users that potentially they have a compensation claim as new Users or smaller participants may not be aware of the compensation arrangements. ME suggested that as both Users and National Grid are CUSC parties, an obligation on one party (National Grid) to inform another party (the User) of its rights or obligations under a contract (the CUSC) did not seem appropriate. In addition new members obtain information from a number of sources including, Account Managers, Operational Forums and Trade Bodies.

16. TH also sought view on suspending CUSC modification “Clarification of the scope of Interruption” until the outcome of P276 modification is known and the group agreed with this approach.
17. The group agreed to submit the two CUSC modifications to the May CUSC Panel meeting. TH agreed to update the position paper to reflect that two modifications would be progressed at the current time.

6 Any other business

18. There was no AOB from the group. ME confirmed that prior to the next meeting that an email would be circulated to group members requesting agenda items and areas for discussion.

Action 8: Request agenda items and areas for discussion from BSSG members for next meeting.