

Minutes

Meeting name Balancing Services Standing Group
Date of meeting 07th March 2012
Time 12:00 – 14.00
Location National Grid House, Warwick

Attendees

Name	Initials	Company
Shaf Ali	SA	Chair
Louise McGoldrick	LM	Technical Secretary
Tariq Hakeem	TH	National Grid
Sarah Owen	SO	Centrica
John Costa	JC	EDF – by teleconference
Cem Suleyman	CS	Drax
Raoul Thulin	RT	RWE
Guy Philips	GP	E.ON
Mark Siddle	MS	2Cenergy
Allan Kelly	AK	Scottish Power Renewables – by teleconference
Bob Brown	BB	Cornwall Energy Associates

Apologies

Name	Initials	Company
Lisa Waters	LW	Waters Wye
Zoltan Zavody	ZZ	Renewable UK
Garth Graham	GG	SSE
Mike Edgar	ME	National Grid
Tim Truscott	TT	National Grid

1 Introductions/Apologies for Absence

1. SA advised that he would be chairing the meeting, in the absence of Mike Edgar (the normal BSSG chair). SA advised that Tim Truscott (National Grid) was unavailable and therefore his presentation on Emergency Instructions would be postponed until the next meeting.

2 Approval of Minutes from the last meeting

2. The draft minutes of the Balancing Services Standing Group meeting held on the 18th January 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 1:** *KC to send out link to P276 consultation to BSSG group once published.*

Update: The P276¹ workgroup is due to issue its consultation on the 22nd March 2012 with a consultation period of 15 working days.

Post meeting update: P276 Assessment Consultation was issued on the 29th March 2012 with the consultation period closing on the 20th April 2012.

Status: Closed

4. **Action 2:** *Demonstrate the percentage of claims under each category (TH)*

Update: TH advised that only 1 claim under category 4 had been submitted since the existing compensation arrangements had been implemented.

Status: Closed

5. **Action 3:** *Add in additional cost through ABSVD under category 2 and 4 (TH)*

Update: Additional information has been included in the document entitled "Comparison of the Compensation Mechanism for different types of disconnections²" and circulated on the 29th February 2012.

6. **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: Carried Forward

7. **Action 5:** *Finalise and circulate position paper on what has been agreed in relation to CAP48 and CAP144 and the outstanding issues prior to next meeting and include key milestones/timeline in terms of next steps. The position paper may be standalone or part of the final consultation report, with BSSG view's in each section of the report (TH)*

Update: Position Paper BSSG, CAP48 and CAP144 compensation was circulated on 29th February 2012.

¹Link to P276: [P276](#)

² <http://www.nationalgrid.com/NR/rdonlyres/F861C1DE-3B86-4379-B88B-33145374EF02/52004/Comparisonofcompensationmechanismsv2.pdf>

4 Loss of Transmission Update

9. TH outlined that the paper entitled, "Position paper BSSG, CAP48 and CAP144 compensation", summaries the discussions the BSSG has had in relation to CAP48 and CAP144 compensation and advised that the paper discusses a number of possible amendments to the schemes.
10. The group reviewed the position paper and the following summarises the debate:
 - clarification was sought on Section 4.4 and the duration of the initial compensation period. It was confirmed that compensation is paid for up to a maximum of 24 hours, if transmission access is unavailable and not for the period for which the generator is unable to utilise the transmission access. The group did not unanimously agree on the merits of increasing the initial compensation period from 24 hours to 36 hours.
 - whether compensation should be paid on a sliding scale. TH confirmed that the initial compensation period was compensated at a Market Index Price (MIP) over the initial 24 hour period, after the initial period Users receive a daily rebate of TNUoS charges. The group concluded that the paper was reviewing whether to increase the initial compensation period duration and not the level of compensation being paid, but it did not preclude a User from raising a Modification in this area.
 - various scenarios where raised by JC in relation to whether additional compensation should be paid to cover restoration periods for generators following a short or long loss of transmission access.
 - AK stated that the position paper BSSG CAP48 and CAP144 compensation did not consider renewables in respect to Renewable Obligation Certificates (ROCs) or the potential expansion of renewables.
 - The group debated at length as to what the compensation arrangements were trying to compensate for. Different views were expressed, one view was that compensation should cover the initial balancing exposure and payments made for Transmission Entry Capacity (TEC) and should not extend to consequential losses. Other views expressed stated that compensation should cover loss of opportunity costs, although it was also commented that Users could take out insurance to cover loss of opportunity costs.
11. Following the review of the position paper it was agreed prior to it being finalised that it should be circulated for comment.

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

12. The paper proposed five possible amendments to CAP48/CAP144 compensation. It was agreed that National Grid would draft CUSC modifications for two of these proposals, alignment of CAP48/CAP144 and amending the administrative procedures. It was also proposed that National Grid raise a modification in a third area to clarify that multiple site disconnections would be captured under CAP48.

New Action 7: National Grid to draft three CUSC modifications.

5 Any other business

13. There was no AOB from the group. LM confirmed that the next meeting was due to be held on the 25th April 2012.