

**Balancing Services Standing Group (BSSG)
Minutes from Meeting 25th August 2010**

Attendees

Present

David Smith (DS), National Grid – Chair
Emma Clark (EC), National Grid - Technical Secretary
Neil Rowley (NR), National Grid
Malcolm Arthur (MA), National Grid
Tariq Hakeem (TH), National Grid
Shafqat Ali (SA), National Grid
Stephen Curtis (SC), National Grid
Raoul Thulin (RT), RWE
Chris Proudfoot (CP), Centrica
Guy Phillips (GP), E. ON
Ewan Stott (ES), Scottish Power
John Morris (JM), EDF
Chris Allanson (CA), CE Electric (teleconference) – part meeting

Apologies

Garth Graham (GG), SSE
Lisa Waters (LW), Waters Wye
Jamie Anavi (JA), Elexon
Ian McNicol (IM), Ofgem

1. Introductions

Introductions were made around the group. DS went over the agenda for the meeting.

2. Approval of Minutes

The group approved the minutes from the previous meeting held on 30th June 2010.

3. Update on review of CAP76/CAP48/CAP144 Payments

TH presented on CAP48, CAP76 and CAP144 Payments. CP pointed out that it needs to be clear if it is generators that are being referred to in the information that is being presented. RT noted that volumes need to be included in the information.

Action: Produce summary table of payments and include clarification of different payments, what qualifies and the volumes.

MA highlighted the issue of how long compensation should last for and pointed out that one party felt that 24 hours is not sufficient. GP added that

for CAP48 and CAP144, there is a rebate of Transmission Network Use of System (TNUoS) if compensation goes beyond 24 hours. CP suggested that it would be useful to have examples under each CAP48 and CAP144 to assist understanding. RT noted that it is sensible that CAP48 and CAP144 should be the same.

Action: Clarify compensation for SBP (System Buy Price) and include example to help understanding under each CAP48/CAP144.

Discussions moved on the CAP76 and that there are issues relating to lost opportunity for compensation.

Action: Review Legal text for CAP48 and CAP76.

SC noted that for CAP48 there needs to be a clarification of the applicability of the payments in general, and in particular clarification of the definition of planned and un-planned transmission access outages. DS advised that the debate would be continued at the next meeting and MA added that it is useful to gain views on different types of generators.

4. Update on review of CAP169 and responses to BSSG Request for Information from Generators and DNOs.

CA joined the meeting via teleconference to participate in this item of the agenda. NR ran through his presentation and opened up discussions on the subject. CP noted that, for a generator, a derogation would be required if the Grid Code obligation is not met. It was suggested that if a cheaper connection is opted for, then a derogation would be necessary. JM asked if it was the generators responsibility to get derogation to which CA responded that it is likely to be the DNO. SC questioned that whilst there was a Grid Code Obligation on Large embedded plant (to provide MVar capability), was there a parallel obligation on DNOs to provide a network to transport such capability, as if not, there would be nothing for a DNO to seek a derogation for.

NR advised at this point that a review of concerns relating to CAP169 is currently being undertaken and to focus on the baseline being that National Grid cannot instruct the plant (noting that this is different to pre-CAP169). SC mentioned that National Grid is currently undertaking an internal review of the impact on the System Operator from the inability to instruct restricted embedded plant and further suggested that the outcome of this review should feed into the BSSG work. The group were generally of the view that the inability to instruct and therefore pay restricted plant should be reviewed. RT noted that there is nothing to stop National Grid from contracting commercially.

Action: National Grid to establish if the baseline is correct.

Action: National Grid to investigate and provide more information on the derogation process.

5. Offshore Reactive Issues

Due to time constraints, NR swiftly ran through his presentation on Offshore Reactive issues and agreed to send out the presentation to the group to read in preparation for discussion at the next meeting.

Action: EC to send out slides for views and discussion prior to the next meeting.

Post meeting note; A link to the slides is contained below;

http://www.nationalgrid.com/NR/rdonlyres/55C6F49F-7625-4F33-9A0A-719E0D5E80DB/42847/Reactive_M2.pdf

6. Relevant updates

Due to time constraints this item was cancelled.

7. Next Steps (future meetings)

DS advised the group that the next meeting is planned for 29th September 2010 at National Grid House, Warwick.

8. AOB

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