

CAP169/BSSG Meeting Minutes

4th June 2009

Attendees

David Smith, National Grid (chair)	Carole Hook, National Grid
Bushra Akhtar, National Grid (Technical Secretary)	Katharine Clench, National Grid
Tom Ireland, National Grid	Raoul Thulin, RWE
Jonathon Atyeo, GDF Suez	Claver Chitambo, RES
Peter Twomey, UUES	James Evans, British Energy

Apologies

Claire Maxim, EON
Christopher Proudfoot, Centrica
Malcolm Arthur, National Grid
Campbell McDonald, SSE

1. Introductions

David Smith introduced himself as Chair to the group, standing in for Malcolm Arthur.

2. Actions from last meeting

The group went over the minutes and actions from the last meeting:

Action 1: Governance

KC reported that the last changes made to the Aggregation of Reactive Power Metering Methodology document were minor amendments following the introduction of BETTA. The changes were therefore terminology amendments. However, it is not clear how other changes, such as the introduction of the fourth category (category D), were introduced to the document.

Alternative methods of governance for the metering methodology are to be looked at, by KC, in more detail which will be reported back to the group in order to select the most appropriate method for this document.

Action 2: Revise Grid Code on Basis of Discussion at Previous Meeting

At the previous meeting, the group felt that the Grid Code changes needed to be more explicit to ensure that any communication from the generator of a DNO imposed reactive despatch restriction is clear that it is not a capability restriction. A specific section has therefore been added to both the MVAR redeclaration form and the generator performance chart to highlight clearly where a network operator restriction is in place rather than a capability restriction.

Action 3: WGAA1

The last meeting agreed that WGAA1 was to be revised to reflect that the 12 months for an operational restriction could be non-consecutive within 24

consecutive months. This was revised following the meeting and circulated as part of the WG consultation.

Action 4: *All to review and provide comments on the proposed drafting* – no comments were received.

Action 5: *Consultation to be prepared by National Grid and circulated.* Consultation was prepared and circulated for WG comment before being issued to the industry.

Action 6: *Paper to be prepared for the GCRP* – Tom Ireland circulated the current draft of the CAP169 WG report to the GCRP which was discussed at the May GCRP meeting. Concerns were raised by the GCRP over the time committed to discuss the Grid Code changes to date. The GCRP agreed to an extraordinary meeting to discuss the proposed changes before the next scheduled GCRP meeting in September. As both Claire Maxim and Campbell McDonald were not present at the May GCRP meeting it was suggested that the group discuss this in more detail at the next joint BSSG/ CAP169 Working Group meeting (in June) and apply to the CUSC Panel for an extension to the Working Group.

The group were comfortable with continuing to discuss the CUSC element of the change at this meeting and postponing the Grid Code element to the next meeting.

The group reviewed minutes for the last BSSG session. Changes to the attendees were made and the minutes agreed. These will be posted on the National Grid BSSG webpage.

3. Working Group Responses

Three responses were received from EDF, RWE and BWEA. Summary of the key points were:

1. BWEA
 - ◆ No comment on merit of the proposals
 - ◆ Noted that dynamic and steady state requirements are not necessarily the same
2. RWE Npower
 - ◆ Supports WGAA2 on the basis that parts 1 and 2 facilitate efficient procurement of reactive power
 - ◆ Part 3 does not deal with the obligations on the generator to maintain capability and introduces potential pricing anomalies
3. Edf Energy
 - ◆ Does not support the original or alternatives
 - ◆ Notes that whilst CAP169 proposes a solution to align the CUSC and Grid Code, it introduces a new defect in relation to Embedded Power Stations
 - ◆ CAP169 introduces additional costs via the procurement of additional reactive power from alternative units and introduces potential price anomaly

EdF energy proposed a WG Consultation Amendment Request

This request proposes that where a 3rd party restriction exists (preventing the embedded unit providing the service in accordance with National Grid instruction) £0 (zero) payment should be made. Under such circumstances National Grid would not be permitted to issue instructions to the unit. The proposer considers that this proposal is more appropriate than WGAA1 and the original which could distort competition by providing an artificially low cost service to National Grid (in preference to those not under restriction) and increase the BSUoS costs paid by other parties. As such the proposer considers that this alternative resolves the original defect identified by CAP169 without introducing a new perverse defect.

The group discussed this WG Consultation Amendment Request, commenting that the proposal of no payment does not seem appropriate as it does not provide any compensation for reactive power equipment (required through the Grid Code) or dynamic response provided. The group commented again that the preferred approach would be for the DNO to pay the embedded generator for reactive power. However, the group acknowledged that this was not within the scope of the CUSC/Grid Code or CAP169.

The group discussed that a capability payment, whilst outside of the scope of this WG may be more appropriate in such circumstances.

4. Discussion of Part 3 Drafting (Original)

Carole Hook went through the high level changes required to the CUSC and Grid Code for Part 3 of the original proposal i.e. where a reactive despatch restriction is known prior to connection only. In particular the new definitions and requirements for communicating a connection restriction were discussed. These had been discussed in the previous meeting, but the final drafting had not been available. This drafting had since been circulated as part of the CAP169 WG consultation. It was noted that the definitions needed to be tightened to ensure that the 20% payment is only applicable in the event that the generator cannot pass through zero MVar. National Grid explained that this had been the intention, however an error in the drafting was introduced which would be amended accordingly.

Action: NG to amend drafting

The group were asked to provide any further comments on the proposed Grid Code drafting for the next meeting and give some thought as to how communication of a restriction to National Grid should work.

Action: All to provide comments

5. Discussion of WGAA1 Drafting

Carole Hook went through the high level changes required to the CUSC and Grid Code for WGAA1 i.e. where a reactive despatch restriction is known prior to connection and/ or post connection. Again, concerns were raised by the group regarding how restrictions were notified to National Grid and which party was best placed to do so.

At this point, Tom Ireland provided a summary of the recent Grid Code panel discussion on these proposals. It was suggested by the Grid Code Review Panel that the Generator Performance Chart was perhaps not the ideal method to indicate whether or not a generator had a DNO restriction in place.

National Grid explained that the drafting provided was National Grid’s most considered means of facilitating communication. Therefore, if this was not considered appropriate or there were any alternative suggestions these would be welcome. Again, the group are to consider the best form of communicating such restrictions to National Grid.

Action: All to circulate comments on the Grid Code proposals before the next meeting

6. Vote on alternatives

The working group were provided with cards detailing the Applicable CUSC objectives. After a short break the group reconvened to vote on the merit of the proposals against these objectives. The summary of the outcome was:

PROPOSAL	VIEW AGAINST APPLICABLE OBJECTIVES	
	BETTER	NOT BETTER
Original (Part 1, part 2, part 3 connection only)	2 votes	3 votes
WGAA1 (Part 1, part 2, part 3 connection and long-term operational)	2 votes	3 votes
WGAA2 (Part 1 and part 2 only)	3 votes	2 votes
WGAA3 (Part 1, part 2, and part 3 with restriction receiving no payment)	1 vote	4 votes

Claire Maxim and Campbell McDonald are eligible WG members who were not at the meeting, and CH agreed to contact them following the meeting to invite their vote.

Action: Carole to invite votes from Claire Maxim and Campbell McDonald via email.

RT

The Original and WGAA1 were not better due to the introduction of a reduced payment (20%) for embedded generators under restriction. WGAA3 was not better as it proposes no payment for a reactive power service and capability provided by embedded generators. WGAA2 was better and best as it facilitates the PPM and large power station part of the proposal without introducing reduced payment terms for embedded generators with third party restrictions.

CC

Original better by providing the opportunity for embedded generators under restriction to get some return on their investment, without paying fully for a service for which NG is unable to fully access. WGAA1 better and best as it extends the original to take into account operational restrictions. WGAA3 is not better as it does

not provide any payment reflecting the dynamic response provided by an embedded generator under restriction. WGAA2 is also not better as parts 1 and 2 would exacerbate the problem part 3 seeks to address, and therefore must be addressed at the same time.

JA

The original and WGAA1 are not better due to the reduced payment for embedded generators fully compliant with the Grid Code requirements. WGAA2 is better and best, through introducing the PPM and large power station changes without reducing the payment for embedded generators. WGAA3 is not better as it does not recognise the Grid Code requirements.

JE

The original and WGAA1 are not better, JE indicated that whilst he supported the intent of these proposals they introduce perverse incentives for restrictions on embedded generators not to be removed and address the symptom as opposed to the cause of the problem. JE does not support WGAA2 which exacerbates the problem relating to payment for embedded generators which the other proposals are seeking to address. JE support WGAA3 as better and best.

PT, as an observer of the group who had attended all meetings, was asked his opinion on the proposals. He indicated that the 20% approach of the original and WGAA1 seemed most appropriate. He stated that the 0 payment does not recognise the contribution made to the networks and does not seem appropriate.

David Smith commented, as chair, that if the voting did not result in a majority, he would be inclined to put forward all suggestions to ensure that the full range of options were available for consideration by the Authority. Moreover, detailed and valid debate had taken place on both WGAA1 and WGAA3 which merited consideration by the Authority. This would mean that despite WGAA1 and WGAA3 not receiving a majority vote from the WG these would process as alternatives. He welcomed any discussion to this suggestion. The group acknowledged that there was only a slim majority as only 5 had voted, and that this seemed reasonable.

JE reiterated his concern that all of the proposals except WGAA3 introduce a new defect into the CUSC by paying for a restricted service. CH commented that it could not be considered a new defect, as without addressing this (which the original and WGAA1 sought to do) full payment would be made. However, the problem could be exacerbated by parts 1 and 2 if not addressed.

7. Timescales

The group were presented with a timeline of important deadlines.

The group discussed if it was able to meet the deadline for June and it was agreed that it could be met in terms of the CUSC drafting but not for the Grid Code drafting as sufficient consideration had not been given to the Grid Code proposals. The group therefore agreed to request a one month extension from the CUSC Panel to allow the WG to conclude and fulfil the terms of reference set.

TI reported back that the GCRP suggested that it would be useful to have additional network operator representatives to discuss Grid Code changes.

Action: TI to request additional participation from DNO representatives.

8. Frequency Response

Due to the absence of Malcolm Arthur this was not discussed.

9. Next Meeting

The group agreed to agree dates for the next meeting by email.

10. AOB

No further business was raised.