

**Minutes and Actions Arising from Meeting
Held on 2nd February 2011**

Present:

David Smith	DS	Chair, National Grid
Emma Clark	EC	Technical Secretary, National Grid
Shafqat Ali	SA	National Grid
Stephen Curtis	SC	National Grid
Tariq Hakeem	TH	National Grid
Amanda Lewis	AL	National Grid
Craig Dyke	CD	National Grid
Nigel Fox	NF	National Grid
Garth Graham	GG	SSE
Raoul Thulin	RT	RWE
John Costa	JC	EDF
Hannah McKinney	HM	EDF
Nick Bradford	NB	EDF
John Lucas	JL	ELEXON
Jennifer Sinclair	JS	Scottish Power
Sarah Owen	SO	Centrica
Guy Philips	GP	E.ON
Lisa Waters	LW	Waters Wye (teleconference)
Simon Lord	SL	FHC (teleconference)
Graeme Dawson	GD	NPower (teleconference)

Apologies:

Chris Proudfoot	CP	Centrica
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1 Introductions

Introductions were made around the group. DS went over the agenda for the day and facility arrangements.

2 Approval of Minutes

The minutes from the previous meeting held on 14th December 2010 were APPROVED.

Action: EC to publish minutes on National Grid website (post-meeting comment – action completed)

3 BM Start Up Update

AL gave a presentation on BM Start Up as a follow up to the presentation given in December's CBSG meeting.

GP asked for clarification on the notice period for the price Amendment Notification and the start time for the Amendment Notification. AL responded that current prices are submitted by 1200hrs on a Thursday for the following Sunday from midnight for the week ahead. The amended agreements will have the same timescale as the current agreements but with an increased frequency of change, i.e. received on a Business Day and effective from 0000hrs two days ahead (BD+2) as opposed to a once a week price effective

from 0000hrs on a Sunday. GP suggested that the notice period could be a shorter timescales than two days and that National Grid were in a position to be able to do this.

GG asked if it is possible to publish Business Day / Non-Business Day data on the web in order for parties to understand the cut off days and other relevant information for BM Start Up and other Balancing Services. AL advised that this is possible and will look into putting this data on the website.

Action: AL to investigate publishing information regarding Business Day and Non-Business Day detail for all Balancing Services on website.

RT asked for an update on an issue raised previously regarding inefficiencies in sterilising units. AL replied that this had been looked into and added that because Industry have paid for warming, then they should benefit. RT noted that it makes sense that energy should not be wasted by the sterilising unit. GG raised the counter argument of why a party should pay to compete. A discussion ensued on warming contracts. LW suggested having a centrally dispatched system and raised the possibility of going back and unwinding part of the warming to get the money back. RT added that the point of warming is to get physical notification in the balancing mechanism. AL responded that the whole essence of warming is that National Grid requires MW in that timeframe. SL noted that there is a trade off between the benefits, and that there is no obligation to accept the contracts. DS summarised the discussion by noting that there is an issue of perceived inefficiency versus trying to retain an intact competitive market.

AL concluded by advising that the intention is to get the new drafts of the proposals and contracts changes out by March 2011 and to implement the agreed approach in May 2011.

4 Update on Draft Industry Consultation on Constraint Transparency

SA proceeded to run through the draft consultation report which summarised the key points and the proposed way forward. GG highlighted the use of the term 'working group', in that it has a particular meaning in the codes and that in the report it does not intend to have this meaning. GG suggested using 'issues group'. GG also noted that the charging methodology is now in the CUSC and subject to change management, therefore reference to constraint cost allocation methodology on page 19 needs to be re-worded so that the option to incorporate the cost allocation methodology in the codes is not ruled out. SA noted that incorporation of the methodology statement in NGET's licence would be consistent with other methodology statements under Licence Condition C16 and that any changes to the methodology statement would go through a consultation process with the industry. GP noted a concern that the paragraph on page 19 is the CBSG's view rather than National Grid's view. DS added that the cost allocation methodology does not necessarily have to go into the CUSC and other codes can be considered.

GG highlighted a typo at the bottom of page 21 (the word 'as' missing after 'such').

SA pointed out that there were two points missing on page 3, 'Planned and actual transmission outages' and 'access to constraint-related information'

and that this was included in the rest of the document.

Under Q7 in the 'CBSG View' section, HM noted to SA that the option of 'Incentivise generators not to move the outages' needs to be thought about in terms of what it actually means. CD commented that the discussion on outage coordination, with regards the obligation on all parties under Grid Code OC2, needs to be continued at CBSG meetings. DS advised that this issue would be raised at the GCRP and that a strawman of a way forward from National Grid's view would be put forward and subject to further review.

Action: SA to develop strawman on outage coordination.

Under the section on 'Information showing potential constraint boundaries', SA asked the group if they had any queries. LW brought up the issue of security which has been discussed at previous meetings and GG clarified that the issue with this is with the public having access to it, not the industry and reiterated the possible dangers of making this sort of information publicly available. SA moved on through the document and asked the group to highlight any questions. Under the section on 'Provision of planned and unplanned outages', LW highlighted that the National Grid website is not clear and is difficult to navigate. DS advised that steps are being taken to improve the website.

Action: NG to check progress on website updates.

SA summarised the CBSG view on this area and noted that further work can be carried out once the comitology process on European Transparency Guidelines has been completed. SC asked about the timescales for the comitology process and SA advised that he will include the timetable in the document.

SA reached the end of the document and highlighted to the group the other comments that had been received. With regard to constraint related information and the possibility of it being made available to non-market participants, JL noted that this raised the question of what a 'market participant' actually is.

In conclusion, SA advised that he will make some further changes to the report based on comments received and will circulate it by email to the group for final comments.

TH then presented a paper on 'Review of the Balancing Mechanism Reporting Service (BMRS) zones. Under the 'Cost of Change' section, JL clarified that the £110k figure represents one-off investment needed. GG highlighted that there is a need to bear in mind the timescales with regard to the lead times and Panel meetings.

GG pointed out that there were some words missing on the bottom of page 7 and also noted the use of the term 'working group' as before.

GG suggested adding in an extra table under the comparison of zones. SA agreed and advised that a table would be added to show how many parties there are for each zone.

Action: TH to add in extra table in paper.

5 Terms of Reference Review

DS advised the group that as the initial items in the Terms of Reference were drawing to an end, they would be re-drafted to now include Transmission Outage Coordination and Transparency. DS asked the group for any further suggestions. GG suggested that, depending on workloads, it may not be necessary to have meetings as regularly. DS noted that there would be an open action to review regularity of meetings and leave open for people to suggest other items. CD noted that there will be items to add over the next financial year.

Action: EC to update Terms of Reference.

6 Next Steps

DS advised the group that the next meeting is planned for 16th March 2011 at National Grid House, Warwick. GG noted that this clashes with the National Grid Customer Seminar being held in Glasgow. EC advised that she would rearrange the date of the CBSG and BSSG for March and will also look into rearranging the April meeting as it falls in the week of Easter Monday and the Royal Wedding and attendance is likely to be low.

7 AOB

The group had no AOB.