

CAP142 Working Group

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| Meeting Name | CAP142 Working Group |
| Meeting No. | 1 |
| Date of Meeting | 18 th December 2006 |
| Time | 01:30pm – 03:00pm |
| Venue | Boardroom, National Grid Offices, Northampton |

1. Introductions/Apologies for Absence

1. Apologies for absence were received from Garth Graham (SSE), Paul Jones (E.ON) and John Morris (British Energy).

2. Working Group Procedures

2. The Working Group agreed that where possible the associated Working Group Report would be written up as the meetings progress.

Action: MT

3. CUSC Amendment Proposal 142 (Temporary TEC Exchange)

3. MT provided an overview of CAP142 to the Working Group. The associated presentation slides will be circulated to Working Group members for reference.

Action: LM

4. The proposal seeks to amend CUSC Section 6.30 such that it would permit TEC Exchanges within year.

5. To assist Working Group members in their understanding of the process for temporary TEC trades, National Grid will describe the process lifecycle of the existing STTEC and LDTEC products and to consider how these could be adapted using a number of example scenarios.

Action: AB

4. Additional Issues

6. Furthermore to the issues identified by the presentation, the Working Group members agreed that the following additional issues will require further discuss/clarification:

- Impact of pre/post October Exchange on Charging Base
 - The Working Group acknowledged that STTEC and LDTEC applications where not included in the Charging Base
- Confirmation on which party TNUoS Liabilities are applicable to i.e. seller/buyer, seller only
- Implications of Temporary TEC allowance being sub-letting to third party
- Interactivity with other products
- Review of issues affecting the Exchange Rate
 - Seasonal Effect
 - Longevity of Exchange Rate
 - Applicability in negative charging zones
- Confirmation whether CAP142 will have consequently Grid Code implications

Action: AB

5. Programme of Events

7. The Working Group agreed to the following programme of events for CAP142:

CAP142 Working Group

- 3 January 1007 – First process examples distributed amongst Working Group members
 - 12 January 2007 - Process examples
 - 22 January 2007 - Applicable Objectives
 - 2 February 2007 - Draft Report
 - 12 February 2007 - reserve
 - CUSC Panel 23rd February 2007
8. The next Working Group meeting will be held on Friday, 12th January 2007 at National Grid offices' in Northampton. The meeting will commence at 1:30pm.

CAP142 Working Group

Appendix 1 – Working Group Attendance

Members Present:

| | | |
|----------------|----|----------------|
| Malcolm Taylor | MT | Chairman |
| Lilian Macleod | LM | Secretary |
| Adam Brown | AB | National Grid |
| Louise Allport | LA | British Energy |
| Bill Reed | BR | RWE |
| Dave Wilkerson | DW | Centrica |
| David Scott | DS | EDF Energy |

In Attendance:

| | | |
|-----------------|----|---------------|
| Hedd Roberts | HR | National Grid |
| Nick Pittarello | NP | Ofgem |
| Mike Davies | MD | Wind Energy |
| Richard Ford | RF | RES Ltd |
| Richard Miller | RM | Ofgem |
| Karron Baker | KB | Ofgem |

Apologies:

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|--------------|----|-----------------------|
| Garth Graham | GG | Scottish and Southern |
| Paul Jones | PJ | E.ON |
| John Morris | JM | British Energy |