

CAP143: “Interim TEC”

TCMF

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Adam Brown

nationalgrid

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Description of CAP143

Key elements of the amendment

- ◆ Raised by SSE Generation in December 2006
- ◆ Interim TEC aims to provide transmission access to power stations waiting completion of wider transmission works
- ◆ Key elements
 - ◆ limits the transmission access to keep other users cost neutral
 - ◆ release of additional rights risks increased constraint costs in BSUoS
 - ◆ a certain number of hours (x) that access rights can be withdrawn
 - ◆ limits are contractually firm at the offer stage
 - ◆ pre-qualifications, to restrict release of additional rights
 - ◆ consent status of user works
 - ◆ consent status of all required transmission works

Working Group discussions

- ◆ Working Group in the “definition and development” phase
- ◆ Three main areas of discussion, so far
 - ◆ pre-qualification requirements for eligibility for Interim TEC
 - ◆ the description of access restriction and allocation of restriction
 - ◆ single value of x-hours for all projects
 - ◆ project-based determination of x-hours
 - ◆ future annual blocks with x-hour restrictions
 - ◆ profile of capacity is identified c.f. LDTEC
 - ◆ the use of the access restriction in operational timescales
- ◆ Analysis also underway to
 - ◆ determine possible x-values
 - ◆ likely use of Interim TEC (MWs / duration)

} each with a range of allocation options (12 options in total)

} Scotland / E&W

Implications for charging

- ◆ Still significant uncertainty about properties of Interim TEC
- ◆ Makes progressing charging arrangements more difficult
- ◆ Need to consider
 - ◆ application fees for assessing Interim TEC requests?
 - ◆ costs of accelerated “local” investments?
 - ◆ use of system charge – TNUoS related or a new charge?
- ◆ Is a new charge required?
 - ◆ dependent on how other users are kept cost neutral
 - ◆ if not done through access restrictions, need to consider capturing, ring-fencing and re-charging short-term costs of Interim TEC
 - ◆ potential implications for revenue control and BSIS incentives

Developing charging arrangements

- ◆ Seek to align, to the extent possible, the development of charging arrangements with that of the CUSC amendment
- ◆ CUSC Working Group meeting regularly throughout February and March and is presently due to conclude its assessment in March
- ◆ May need to consider extension for CUSC Working Group
- ◆ More clarity of the amendment expected by March CISG

Conclusions & Next Steps

- ◆ CAP143 has implications on the charging methodology
- ◆ Amendments will be required, some potentially fundamental
- ◆ Highly dependent on how CAP143 develops as it progresses through the CUSC Working Group
- ◆ Will discuss through appropriate charging forums as the properties of Interim TEC become more apparent