



# The Pace of Change in Great Britain

AN UPDATE FROM IPA ENERGY + WATER ECONOMICS

## Inside...

- " Round 3 offshore wind developers selected;
- " Final proposals for £1bn transmission network investments;
- " Approval of controversial Beaulieu-Denny transmission system upgrade;
- " Acceptance of distribution price control proposals network operators;
- " Future network price control regulation (RPI-X@20); and
- " Electricity interconnector policy.

# The Pace of Change in Great Britain

This monthly briefing paper from IPA Energy + Water Economics provides a brief update of the major consultations and announcements that impact on the development of the Great Britain wholesale electricity.

This issue covers publications during **January 2010** in the following areas:

<b>Department of Energy and Climate Change (DECC) and Department for Business Innovation &amp; Skills (BIS)</b> .....	<b>2</b>
<b>Ofgem</b> .....	<b>4</b>
<b>Licences</b> .....	<b>9</b>
<b>GB System Operator (SO)</b> .....	<b>10</b>
<b>Distribution Network Operator (DNO)</b> .....	<b>12</b>
<b>Balancing and Settlement Code (BSC)</b> .....	<b>13</b>
<b>Connection and Use of System Code (CUSC)</b> .....	<b>15</b>
<b>European Energy Regulators (CEER &amp; ERGEG) (titles and links only)</b> .....	<b>16</b>
<b>Summary of Consultations/Publications and BSC/CUSC Modifications and Decisions</b> .....	<b>17</b>

If readers need further information on any of the issues raised in this newsletter, or would like advice on how these changes and other market developments might affect your company, please contact IPA Energy + Water Economics on +44 (0)131 240 0840 or via email at [contact@ipaeconomics.com](mailto:contact@ipaeconomics.com).

We are continually looking for ways to make this newsletter more useful for our readers, and would welcome comments and suggestions on any changes which might be helpful.

## Disclaimer

**IPA Energy + Water Economics cannot be held accountable for the accuracy of the information published herein, nor be held responsible for the consequences of any actions or decisions taken on the basis of this briefing paper. Parties must refer to the formal documents to confirm the official position.**

IPA Energy + Water Economics  
55 Melville St, Edinburgh EH3 7HL  
T | +44 (0)131 240 0840  
F | +44 (0)131 220 6440  
E | [contact@ipaeconomics.com](mailto:contact@ipaeconomics.com)  
W | [www.ipaeconomics.com](http://www.ipaeconomics.com)



# The Pace of Change in Great Britain

---

## DEPARTMENT OF ENERGY AND CLIMATE CHANGE (DECC) AND DEPARTMENT FOR BUSINESS INNOVATION & SKILLS (BIS)

**Title: *Distribution Network – 132kV Overhead Line Between Carrington And Lostock***  
[\(link\)](#)

Published: 4 January  
Response due: N/A

DECC has announced that SP Manweb has been granted section 37 consent for a new 132kV overhead power line circuit between Carrington and Lostock substations which is expected to be completed towards the end of 2011.

---

**Title: *Beaully Denny Upgrade Approved***  
[\(link\)](#) [\(press release\)](#)

Published: 6 January  
Response due: N/A

BIS has issued a press release announcing that the Scottish Parliament has approved the Beaully Denny upgrade. The press release quotes Scottish Energy Minister, Jim Mather, as stating that...

“Approval is subject to a detailed and comprehensive range of conditions to protect the vital interests of communities, the environment, our cultural heritage and our tourism sector. The key to ensuring that the development is delivered appropriately across Scotland is ongoing engagement with local communities, their representatives and other key interests. The conditions require this.”

---

### Issue: Round 3 Offshore Wind Farms

**Titles: *Offshore Wind Expansion Biggest Ambition in the World***

[\(link\)](#)

***PM Heralds Major Wind Energy Expansion***

[\(link\)](#)

***The Crown Estate Announces Round 3 Offshore Wind Development Partners***

[\(link\)](#) [\(details\)](#)

Published: 8 January  
Response due: N/A

Plans for the next phase of offshore wind farm development have been announced:

- “New ‘Round 3’ rights granted in 9 UK coastal zones;
- Potential for 6,400 additional turbines generating 32GW far exceeds previous plans;
- £75 billion offshore wind industry could support up to 70,000 clean energy jobs by 2020;
- These are high value jobs in manufacturing, research and engineering, installation, operation and services.”

The developers who have signed exclusivity zone agreements with The Crown Estate are:

- Moray Firth Zone: Moray Offshore Renewables Ltd which is 75% owned by EDP Renovaveis and 25% owned by SeaEnergy Renewables – 1.3 GW
- Firth of Forth Zone: SeaGreen Wind Energy Ltd equally owned by SSE Renewables and Fluor – 3.5 GW
- Dogger Bank Zone: the Forewind Consortium equally owned by each of SSE Renewables, RWE npower Renewables, Statoil and Statkraft – 9 GW
- Hornsea Zone: Siemens Project Ventures and Mainstream Renewable Power, a consortium equally owned by Mainstream Renewable Power and Siemens Project Ventures and involving Hochtief Construction – 4 GW
- Norfolk Bank Zone: East Anglia Offshore Wind Ltd equally owned by Scottish Power Renewables and Vattenfall Vindkraft – 7.2 GW
- Hastings Zone: E.ON Climate and Renewables UK – 0.6 GW
- West of Isle of Wight Zone: Eneco New Energy – 0.9 GW
- Bristol Channel Zone: RWE npower Renewables – 1.5 GW
- Irish Sea Zone: Centrica Renewable Energy and involving RES Group – 4.2 GW.



# The Pace of Change in Great Britain

---

## Title: *Two Wind Farm Schemes Approved* ([link](#))

Published: 12 January  
Response due: N/A

BIS have issued a press release on the approval, by Scottish Energy Minister Jim Mather, of a 52.5 MW Baillie wind farm near Thurso and an extension to the Rothes wind farm near Elgin which will boost capacity by an additional 45 MW.

---

## Title: *The Sale of the Government's Interest in British Energy*

([link](#))  
([full report](#)) ([executive summary](#))  
([press notice](#)) ([methodology](#))

Published: 22 January  
Response due: N/A

BIS has issued a press release quoting the National Audit as saying it received a good price of the sale of BE. The press release quotes Amyas Morse, head of the National Audit Office as saying:

*"The Government sold its stake in British Energy when energy prices were at a peak, and got a good price. The biggest priority for the Government was, however, to ensure new nuclear power stations could be built from the earliest possible date and with no public subsidy. Whether it will achieve this remains to be seen. The Department of Energy and Climate Change now needs to make real progress on its contingency plans should EDF be unwilling to build new nuclear power stations."*

---



# The Pace of Change in Great Britain

---

## OFGEM

**Title: *Ofgem's Approach to the Payment of the Fossil Fuel Levy in Respect of Contract Amendments to Non Fossil Fuel Obligation / Scottish Renewables Obligation***

[\(link\)](#)

Published: 7 January

Response due: N/A

Ofgem has published guidance on the principles it will adopt when determining whether electricity from a project with an NFFO/SRO contract, that has been amended, qualifies for support out of the Fossil Fuel Levy.

---

**Title: *Electricity Distribution Network Operators Accept Ofgem's Final Proposals for the 2010-2015 Price Control***

[\(link\)](#)

Published: 8 January

Response due: N/A

Ofgem has announced that all seven owners of Britain's electricity distribution networks have accepted the proposed 2010-2015 price control.

The press release notes that companies will be able to invest up to £7.2 billion upgrading their networks, which includes a £500 million "sustainability fund" that will enable them to undertake large-scale trials of "smart grids and other technology required in a low carbon economy", over the five years of the new price control.

The press release states that the impact on household electricity bills will be an increase of £4.30 per year on average across the country.

---

**Title: *Minutes of the Meeting of the Gas and Electricity Markets Authority of 19 November 2009***

[\(link\)](#)

Published: 12 January

Response due: N/A

**Titles: *Consumer Panel: Research Findings from the First Event (Year 2)***

[\(link\)](#)

***Consumers Tell Ofgem They Care About Sustainable Development***

[\(link\)](#)

Published: 12 January

Response due: N/A

Ofgem has published the report from its ongoing programme of research aimed at helping it to ensure that policy development is consumer focused.

---

**Title: *Andrew Pinder CBE Appointed as new Chairman of Electricity Industry Panel and ELEXON***

[\(link\)](#)

Published: 12 January

Response due: N/A

Ofgem has announced the appointment of Andrew Pinder as the new chairman of ELEXON and the BSC Panel and indicating that he will officially take up his post in October 2010.

The press release states that:

*"Andrew Pinder is currently a non-executive director for United Utilities Plc. He brings with him wide-ranging, high-profile experience at a senior level in both public and private sector financial and information technology organisations. In line with the provisions of the BSC, he has been appointed to these roles by the Gas and Electricity Markets Authority, the governing Authority for Ofgem the energy regulator."*

---

**Title: *Currie Lecture, CASS Business School – Project Discovery and the Importance of Gas from the East***

[\(link\)](#)

Published: 13 January

Response due: N/A

Ofgem has published the slides from Alistair Buchanan's Currie Lecture at the CASS Business School on 28 October 2009.



# The Pace of Change in Great Britain

---

## **Title: *Proposed Corporate Strategy and Plan 2010 - 2015***

[\(link\)](#)

Published: 15 January  
Response due: 26 February

Ofgem has published its proposed 5 year Corporate Strategy and Plan for consultation.

The Plan notes that Ofgem will be subject to another 5 year (of RPI-3%) cost control regime running from 2010-11 to 2014-15 which is anticipated to deliver savings of £11.8 million.

Ofgem E-Serve, which will see costs rise from £6.9 million in 2009-10 to £41.2 million in 2010-11 due to its increased activities, is also to be subject this efficiency regime. The plan indicates that scheme administration costs will primarily be funded from DECC or the environmental programmes themselves.

---

## **Issue: Community Energy Saving Programme**

### **Titles: *Community Energy Saving Programme (CESP) Calculator for Carbon Savings Under CESP***

[\(link\)](#)

### ***Community Energy Saving Programme Carbon Emissions Reduction Scores***

[\(link\)](#)

Published: 18 January  
Response due: N/A

Ofgem has published carbon calculator and carbon score spreadsheets for CESP.

---

## **Title: *Presentational Error in Final Proposals documents for Distribution Price Control Review 5***

[\(link\)](#)

Published: 18 January  
Response due: N/A

Ofgem has published a letter advising of an error in the presentation of the efficiency scores for network operating costs and indirect costs in the DPCR5 Final Proposals documents.

The letter notes that this does not affect its cost baselines, or allowed revenues, and that the correct efficiency scores were applied in all its calculations.

---

## **Titles: *Who's Who at Ofgem – Organisational Flowchart***

[\(link\)](#)

## ***Ofgem Appoints New Senior Partner, Transmission and Governance***

[\(link\)](#)

Published: 18 January & 22 January  
Response due: N/A

Ofgem published its organisational flow chart on 18 January and announced the appointment of Stuart Cook as Senior Partner, Transmission and Governance.

---



# The Pace of Change in Great Britain

---

## **Titles: *Transmission Access Review – Enhanced Transmission Investment Incentives: Final Proposals***

[\(link\)](#)

## ***Ofgem Confirms a Potential for £1bn Additional Network Investment to Help Meet Carbon Targets***

[\(link\)](#)

Published: 19 January

Response due: 16 February

Ofgem has published for consultation its final proposals for pre-construction and construction funding for a range of transmission reinforcement projects, identified by TOs following the Transmission Access Review, that are due to commence work before the end of the current transmission price control.

The accompanying press release states that:

- *“Ofgem now authorises £319 million of investment for network upgrades from April 2010.*
- *This is the first tranche of the programme of extra investment by transmission companies in their current price control.*
- *Ofgem will continue to assess the transmission companies’ requests for funding the remaining £764 million of the £1bn package.”*

The £319 million of construction and pre-construction funding will be spent on the following projects, planned to start construction before the end of 2010/11: Beaulieu-Blackhilllock-Kintore (SHETL); Beaulieu-Dounreay (SHETL); Knocknagael, (SHETL); Deeside substation component of the Western HVDC link (NGET); East Anglia (NGET); and preparatory work on the SPTL-NGET interconnection (SPTL). *“Ofgem may consider further funding of the following projects due to commence in 2010/11 as further information becomes available: Hunterston-Kintyre link (SHETL/SPTL); Western Isles link (SHETL); and Shetland link including offshore hub (SHETL).”*

---

## **Title: *Regulating Energy Networks for the Future: RPI-X@20 Emerging Thinking***

[\(link\)](#) [\(supporting papers\)](#) [\(factsheet\)](#)  
[\(press release\)](#) [\(BIS\)](#)

Published: 20 January

Response due: 9 April

Ofgem has published a consultation on its “emerging thinking” for network price control regulation in the light of the work of its RPI-X@20 review.

The Executive Summary states that the regulatory framework set out in the consultation would:

*“... continue to be an ex ante “building blocks” price control framework and would encourage the network companies to change by:*

- *Putting much greater focus on the delivery of outcomes and outputs related to safe, secure, high quality and sustainable network services at value for money;*
- *Retaining and, where appropriate, strengthening incentives on companies to constrain costs but with much greater focus on the long-term cost of delivery and considering different (and new) approaches;*
- *Extending at least part of the regulatory package to more than five years;*
- *Providing a separate time-limited innovation stimulus common to all the energy networks and open to a range of parties, including non-networks;*
- *Taking a proportionate approach to the regulatory process, with the depth of our scrutiny of each company’s plans depending on their track record for delivering;*
- *Aligning incentives between industry participants focused on delivering a low carbon energy sector; and*
- *Setting clear principles for ensuring network companies earn appropriate returns (on a defined regulatory asset value) for their performance and the level of risk they face, but not bailing out inefficient companies*

*Larger, discrete network outputs and investments could be opened up to greater competition through tendering where there was strong evidence that this would drive innovation and long-term efficiency, but only where it would not threaten timely delivery of the challenging emission reduction (or renewable) targets or the integrity of the way the networks are operated.”*

Ofgem also state that it proposes to “encourage network companies to innovate in providing fair, non-discriminatory access to network services to encourage viable energy service companies to emerge and thrive. Network companies might be required to lease or sell assets. The network companies could therefore be much more responsive to existing or new companies with new technologies or new approaches and so no longer be (or be perceived to be) a barrier.”



# The Pace of Change in Great Britain

---

**Title: Domestic Suppliers' Quarterly Social Obligations Report – Q3 2009**  
([link](#))

Published: 21 January  
Response due: 5 March

Ofgem has published an open letter, with its report on supplier performance against their social obligations in Q3 2009, seeking views on its suggestion for a short review of the data it collects as part of domestic suppliers' performance in relation to their social obligations. The letter goes on to ask for views about the data it currently collects and elements of performance that it could better capture through its social obligation monitoring, including a rationale for any suggested changes.

---

**Issue: Change to Target Costs within National Grid's GB SO Incentive Scheme**

**Title: Direction Issued to NGET by the Gas and Electricity Markets Authority Pursuant to Paragraph B1(b) of Part B of Schedule A to Special Condition AA5A (Balancing Services Activity Revenue Restriction) of NGET's Electricity Transmission Licence**  
([link](#))

Published: 22 January  
Effective: 1 April 2009

Ofgem has issued a direction giving effect to the provisions within National Grid's GB SO incentive to adjust the target level of costs within the incentive where there is a "material change in the availability to the licensee of ancillary services from that assumed by the licensee when developing its forecast for Incentivised Balancing Costs for 2009/10."

---

**Title: Helping Domestic Customers – Factsheet**  
([link](#))

Published: 22 January  
Response due: N/A

Ofgem has published a factsheet summarising the package of new rules being introduced to improve domestic customers' experience of the energy market and answering some frequently asked questions.

---

**Title: Notice of Consultation of Special Condition D4 (Pass Through Items)**  
([link](#))

Published: 25 January  
Response due: 22 February

Ofgem is consulting on its proposal to allow National Grid to recover its costs for participating, on behalf of GB, in the EU's Inter-Transmission System Operator Compensation (ITC) scheme (for 2008/9 and future years) via the ITCt term contained in Special Condition D4 (Pass Through Items). Ofgem proposes that the ITCt term be set automatically at the conclusion of the annual regulatory reporting mechanism noting that:

*"This approach would also be consistent with the treatment of other variable elements of revenue allowances derived through formulae based on input values as reported through the annual regulatory reporting mechanism."*

---

**Title: Transmission Investment for Renewable Generation (TIRG) Determination and Notice: Income Adjusting Event and Asset Value Adjusting Event for the Transmission Investment Project 'Sloy'**  
([link](#))

Published: 25 January  
Response due: N/A

Ofgem has published the formal notice giving effect to its decision to allow SHETL to recover its costs in relation to the Sloy project under the Transmission Investment for Renewable Generation (TIRG) mechanism.

---



# The Pace of Change in Great Britain

---

## **Title: CAP 170 – Current Thinking and Further Consultation on Competition Issues**

[\(link\)](#)

Published: 26 January  
Response due: 23 February

Ofgem has published an open letter/consultation on the issues raised by Urgent Amendment CAP 170 (Category 5 system-to-generator operational intertripping scheme), raised in February 2009. Ofgem notes that the consultation seeks to address the point, raised by a number of respondents to its impact assessment and consultation, who argued that Ofgem had not presented sufficient evidence to demonstrate its concern that:

*“... the high level of market concentration behind the Cheviot boundary may influence the prices NGET pays for services such as intertrip and other ancillary services that there was a competition issue in the provision of constraint services behind the services that would justify replacing an existing market mechanism with an administered price arrangement.”*

---

## **Title: Electricity Interconnector Policy**

[\(link\)](#)

Published: 26 January  
Response due: 30 March

Ofgem has published a consultation that seeks views on models proposed for allocating capacity on the increasing levels of interconnector capacity, including “market coupling”, and for regulation of new investment.

Ofgem indicate that:

*“... the options are presented in the context of European policy discussions and legal requirements promoting a single European electricity market and the prospect of increased interconnection between Great Britain and neighbouring markets. They build on the new approaches developed on the England-France Interconnector (known as the IFA) through the ERGEG Regional Initiatives and new target models established by the Project Coordination Group under the Florence Forum.”*

## **Title: Open Letter – Potential Fraudulent Activity**

[\(link\)](#)

Published: 27 January  
Response due: N/A

Ofgem has highlighted potential fraudulent activity in energy markets:

*“It has come to our attention that certain parties may be looking to operate in the European gas and electricity markets for potentially fraudulent purposes.*

*We would encourage all parties to be extra vigilant and take all reasonable steps to apply due diligence to protect against potential fraud.*

*If you have any reason for concern please feel free to contact us with any supporting documentation.”*

---

## **Issue: Welsh Language Information Note and Factsheet on Connections**

### **Titles: Sut gallaf gael cyswllt nwy domestig intro?**

[\(link\)](#)

### **Sut i gysylltu â chyflenwad trydan**

[\(link\)](#)

Published: 25 and 29 January  
Response due: N/A

Welsh language information note and factsheet (names and addresses of DNOs) for connections.

---

## **Title: Connections Industry Review 2008-09**

[\(link\)](#)

Published: 29 January  
Response due: N/A

Ofgem has published its annual review of the gas and electricity connections market in 2008/09.



# The Pace of Change in Great Britain

---

## LICENCES

### Electricity Licence Applications in January 2010

**Company:** Ecotrade Solutions Limited

**Licence:** Supply

[\(link\)](#)

Applied: 13 January

Published: 15 January

---

### Miscellaneous

**Title:** *All Electricity Licensees – Registered Addresses*

[\(link\)](#)

Published: 13 January

---

### Electricity Licences Issued in January 2010

**Company:** Energy COOP Limited

**Licence:** Extension to Supply Licence to Include Supply to Domestic Consumers

[\(link\)](#)

Published: 11 January

Effective: 9 December 2009

---

**Company:** Energy 2 Sell Limited

**Licence:** Supply (Any Premises)

[\(link\)](#)

Published: 13 January

Effective: 17 December 2009

---

**Company:** NNB Generation Company Limited

**Licence:** Generation

[\(link\)](#)

Published: 13 January

Effective: 17 December 2009

---

**Company:** Crystal Rig II Limited

**Licence:** Generation

[\(link\)](#)

Published: 22 January

Effective: 11 January

---



## GB SYSTEM OPERATOR (SO)

### **Title: 2009 Offshore Development Information Statement**

[\(link\)](#)

Published: December  
Response due: 29 January

National Grid has published its first Offshore Development Information Statement, which it is required to produce, as National Electricity Transmission System Operator (NETSO), under Special Licence Condition C4 of its transmission licence. The statement indicates that:

*“The main purpose of this Statement is to facilitate the achievement of the coordinated development of the offshore and onshore electricity grid in Great Britain. The network solutions identified in this report represent a vision of how the offshore and onshore reinforcements could be developed; it is the responsibility of individual onshore/offshore network owner to develop detailed designs. In developing these detailed designs it is envisaged that this Statement will provide guidance in determining the optimum solutions.”*

---

### **Title: Consultation Document – GB ECM-22 Treatment of Exemptable Generation Connected to Embedded Transmission**

[\(link\)](#)

Published: 13 January  
Response due: 9 February

National Grid has issued a consultation, at the request of E.ON UK, on the proposal that the charging methodology is modified such that when the offshore transmission arrangements go live in June this year, charges for Exemptable generation connected to embedded transmission are treated consistently with Exemptable embedded generators.

The consultation states that National Grid’s initial view is that:

*“... the difference in charging between Exempt Embedded Generators and Exempt Embedded Transmission Generators is justified as the former are connected a distribution network and the latter are connected to the transmission network.”*

However it also notes that it “agrees that the difference in treatment between all embedded and directly connected generators needs to be reassessed.”

---



# The Pace of Change in Great Britain

---

**Title: Pre-Consultation – GB ECM-23  
Transmission Arrangements for Distributed  
Generation**

[\(link\)](#)

Published: 15 January  
Response due: 26 February

National Grid has issued a “pre-consultation” on the enduring arrangements for the treatment of embedded generation under the transmission regime. The consultation considers the two models developed by the Transmission Arrangements for Distributed Generation (TADG) working group: the gross nodal supplier agency model (GNSAM) and the Net DNO agency model. National Grid states that it “*broadly favours*” the GNSAM approach which it suggests seeks to address the transmission related issues associated with DG by “*... treating all generation (both directly connected to the transmission system and embedded in the distribution networks) equally for transmission charging purposes, except for a cost reflective discount applied to the generation tariff levied on DG, reflecting the avoided investment in the transmission network.*”

---

**Title: National Grid Electricity Transmission  
System Operator (SO) Incentives for 1 April 2010  
– Initial Proposals Consultation Report**

[\(link\)](#)

Published: 15 January  
Response due: N/A

National Grid has published a report summarising response to its “Initial Proposals consultation” and setting out its views on the issues raised. The report summarises the main points from the as follows:

*“Forecast*

- *General agreement that the assumptions were reasonable*
- *Overall forecast seemed high when compared to 2009/10*
- *Concern with the increase in constraint costs*

*Scheme design*

- *Support for a fully bundled incentive*
- *Limited support for a multi-year deal*
- *Development of parameters need further justification.”*

It also gives a revised forecast for Balancing Services and BSUoS and identifies the main reasons for changes in the forecast.

---



## DISTRIBUTION NETWORK OPERATOR (DNO)

### Charging Methodologies

**Title:** *EDF Energy Networks1 (“EDF”) Electricity Distribution Use of System Charging Methodology: Housekeeping Changes*  
([link](#))

Decision: **APPROVE** (not vetoed)  
Published: 5 January  
Implementation: 1 February

---

**Title:** *EDF Connection Charging Methodology Modification Proposal. Changes to Bring EDF's Application of the Apportionment Rules Into Line with the Industry Approach*  
([link](#))

Raised by: EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc; EDF Energy Networks (SPN) plc  
Published: 8 January

---

**Title:** *Changes to WPD's Use of System Charging Methodology to Revoke the LV/HV DRM Methodology from the Implementation Date of the CDCM (WPD/WALES/WEST/UOS016)*  
([link](#))

Raised by: Western Power Distribution (South Wales) plc; Western Power Distribution (South West) plc  
Published: 12 January

---

**Title:** *Notice of Intention to Consult and Consultation on WPD's Modification Proposal (WPD/Wales/West/UOS016) to Introduce its Charging Methodology at EHV from April 2010; and Consultation on Western Power Distribution's (WPD) Modification Proposal (WPD/Wales/West/016) to Introduce Changes to its Charging Methodology at Extra High Voltage (EHV) Level from 1 April 2010*  
([link](#))

Published: 14 January  
Response due: 11 February

---

**Title:** *Decision in Relation to ENW/2009/005.2 – Proposal to Amend the EHV Charging Methodologies for Designated EHV premises from April 2010 (Until the Introduction of the EHV Distribution Charging Methodology in April 2011)*  
([link](#))

Decision: **APPROVE** (not vetoed)  
Published: 22 January  
Implementation: 1 April

---



# The Pace of Change in Great Britain

---

## BALANCING AND SETTLEMENT CODE (BSC)

### Joiners

#### Finotec Trading UK Ltd

Party ID: FINO1826

Non Physical Trader and an Interconnector User

#### Statoil Gas Trading Ltd

Party ID: STATPOW

Non-Physical Trader and an Energy Contract  
Volume Notification Agent (ECVNA)

---

### Leavers

#### Nordpool Clearing ASA

Party ID: UKPOWER

#### UBS Limited

Party ID: UBSLTD01

#### UBS AG London Branch

Party ID: UBSAGL01

#### LCH Clearnet Limited

Company No. 00025932

---

### Miscellaneous

Dr Sebastian Eyre (Head of Energy Regulation at EDF Energy) has been elected, by the BSC Panel, as the second Industry Board Member on the ELEXON Board.

---

### Modification Proposals

#### **P250 Prevention of 'Timing Out' of Authority Decisions on Modification Proposals**

[\(link\)](#)

Proposed by: National Grid

Proposed on: 4 January

The Modification has two elements. The first seeks to remove the potential for a Mod Decision, by the Authority, to be "timed out" because it is not compliant with the proposed implementation dates by requiring the BSCP Panel to specify the implementation dates in a way that cannot lead to the decision being timed out; and the second element seeks to include new provisions that would allow the Panel to advise the Authority that, due to the passage of time, the analysis contained within its final report is out of date.

---

### Modification Decisions

#### **P240 Switching Plant and Apparatus between BM Units**

[\(link\)](#)

Decision: **APPROVE**

Date: 20 January

Implementation: 5 working days after approval

Panel recommendation: Approve

The change will allow switching of Power Park Units, within Power Park Modules registered within the same BM Unit, in operational timescales (in line with Grid Code requirements) for offshore and onshore Power Park Modules.

---



# The Pace of Change in Great Britain

---

## **P244 Provision of BritNed Flow Data to the Balancing Mechanism Reporting Service (BMRS)**

[\(link\)](#)

Decision: **APPROVE Alternative**

Date: 20 January

Implementation: 4 November 2010

Panel recommendation: Approve alternative

The change will allow data on the BritNed Interconnector to be reported as a separate fuel type under the category generation. The Alternative Modification also allows such data to be published for any future Interconnectors without the need to raise a new BSC Modification.

---

## **P241 Relaxation of Requirement to Separately Meter Licensable Generating Units**

[\(link\)](#)

Decision: **APPROVE**

Date: 21 January

Implementation: 5 working days after approval

Panel recommendation: Approve

The change removes the requirement for each licensable Generating Unit within CCGT Modules to be separately metered.

---

## **P242 Treatment of Exemptable Generation Connected to Embedded Offshore Transmission Networks**

[\(link\)](#)

Decision: **REJECT**

Decision Date: 21 January

Panel recommendation: Approve

The mod would have enabled Offshore Exemptable Generation to continue to be treated in the same manner as licence exempt onshore generators connected to an onshore distribution system after Go Live of the new off-shore transmission regime (except for the allocation of losses for the offshore network that will be allocated to the offshore generator) where that Offshore Exemptable Generator has 'sole use' of an offshore transmission system.

---

## **P243 Publication of Generator Forward Availability by Fuel Type**

[\(link\)](#)

Decision: **APPROVE Alternative**

Date: 21 January

Implementation: 4 November 2010

Panel recommendation: Approve alternative

The change will require additional information on generation capacity availability to be published on the BMRS as follows:

- OU (Output Useable) data for every Interconnector (2-14 days ahead and 2-52 weeks ahead) where available. A Grid Code modification would be raised to facilitate this as Interconnectors are currently not obliged to provide OU data;
- (2-14 days ahead and 2-52 weeks ahead) the aggregated national OU data in the same fuel type categories as the out-turn data on the BMRS;
- OU/Generating Plant Demand margin data (transferred from BSC website).

The OU data will be published at BMU level as well as by fuel type for the same time periods.

---

## **P246 Reporting to LDSOs of Aggregated Metering Data for Embedded Networks**

[\(link\)](#)

Decision: **APPROVE**

Date: 28 January

Implementation: 31 March

Panel recommendation: Approve

The modification will allow distributors to obtain data needed to support charging arrangements for embedded networks under the new common distribution charging methodology (CDCM).

---



## CONNECTION AND USE OF SYSTEM CODE (CUSC)

### CUSC Amendment Proposals

#### **CAP 179 Prevention of "Timing Out" of Authority decisions on Amendment Proposals**

[\(link\)](#)

Proposed by: National Grid

Proposed on: 4 January

The CAP proposes changes to prevent CAP decisions by the Authority to be timed out such that it loses its ability to make a decision.

---

### CUSC Amendment Proposal Decisions

#### **CAP 178 Connection and Use of System Code (CUSC) Amendment to the Process for the Approval of CUSC Amendment Panel Meeting Minutes when a CUSC Amendment Panel Meeting Has Been Cancelled**

[\(link\)](#)

Decision: **APPROVE**

Date: 8 January

Implementation: 22 January

Panel recommendation: Approve

The change will allow the approval/publication of minutes from a CUSC Panel meeting without the need for the Panel to meet where a meeting is cancelled.

---

#### **CAP 177 Removal of CUSC Panel's ability to raise Amendment Proposals**

[\(link\)](#)

Decision: **REJECT**

Date: 27 January

Panel recommendation: Approve

The modification would have removed the CUSC Panel's ability to raise modification proposals following a post-implementation review, changing the CUSC to enable this to be done by a CUSC party, a BSC party or the National Consumer Council.

---

#### **CAP 175 Urgent Amendment Proposals – Revisions to Process**

[\(link\)](#)

Decision: **APPROVE**

Date: 28 January

Implementation: 2 February

Panel recommendation: Approve

The change will clarify some of the provisions of the governance process in the CUSC; in particular for urgent modifications.

---

#### **CAP 176 Correction of errors contained in the provisions for post-implementation reviews for Urgent Amendment Proposals**

[\(link\)](#)

Decision: **APPROVE**

Date: 28 January

Implementation: 2 February

Panel recommendation: Approve

The change will bring the CUSC in line with current working practice for conducting post-implementation reviews after implementation of an Urgent Amendment Proposal.

---

# The Pace of Change in Great Britain

---

## EUROPEAN ENERGY REGULATORS (CEER & ERGEG) (TITLES AND LINKS ONLY)

Title: *State of Play of Europe's Energy Markets:  
Market Integration is a Key to Effective Delivery  
for Energy Consumers*

[\(link\)](#)

Published: 14 January

---



# The Pace of Change in Great Britain

## SUMMARY OF CONSULTATIONS/PUBLICATIONS AND BSC/CUSC MODIFICATIONS AND DECISIONS

Please note that whilst considerable effort is made to keep this up to date some, possibly important, consultations and announcements will inevitably have been missed. Readers should also refer to the relevant documents to confirm response dates.

### Consultations Carried Over from Previous Months

Issuer	Title / Link	Date	Response Due
DECC	<b>Miliband Sets Strategic Direction for Overhaul of Energy System</b> <a href="#">(link)</a> <a href="#">(Commons statement)</a> <a href="#">(consultation)</a> <a href="#">(clean coal framework)</a>	9 Nov	22 Feb
DECC	<b>Consultation on Proposed Regulatory Justification Decisions on New Nuclear Power Stations (AP1000 and EPR)</b> <a href="#">(link)</a>	9 Nov	22 Feb
DECC	<b>Draft Supplementary Guidance for Section 36 Electricity Act 1989 Consent Applicants for Coal Power Stations: A Consultation</b> <a href="#">(link)</a>	9 Nov	1 Feb
DECC	<b>DECC Invites Applicants for £1.5 million Bio-Energy Infrastructure Grants</b> <a href="#">(link)</a>	23 Nov	26 Feb
DECC	<b>Consultation on Second Stage Transposition of EU Directive (2008/101/EC) to Include Aviation in the EU Emissions Trading System (EU ETS)</b> <a href="#">(link)</a>	11 Dec	5 Mar
Ofgem	<b>Offshore Electricity Transmission: Consultation on the Enduring Regime</b> <a href="#">(link)</a>	18 Dec	12 Feb
DECC	<b>Second Consultation on the Form and Content of New Climate Change Agreements</b> <a href="#">(link)</a>	21 Dec	15 Feb
DECC	<b>Extending the Carbon Emissions Reduction Target</b> <a href="#">(link)</a>	21 Dec	14 Mar

### New Consultations/Publications

Issuer	Title / Link	Date	Response Due
NETSO	<b>2009 Offshore Development Information Statement</b> <a href="#">(link)</a>	Dec	29 Jan
DECC	<b>Distribution Network – 132kV Overhead Line Between Carrington And Lostock</b> <a href="#">(link)</a>	4 Jan	N/A



## The Pace of Change in Great Britain

Issuer	Title / Link	Date	Response Due
Ofgem	<b>Correction of errors contained in the provisions for post-implementation reviews for Urgent Amendment Proposals</b> <a href="#">(link)</a>	5 Jan	Implementation 1 Feb
BIS	<b>Beaulieu Denny Upgrade Approved</b> <a href="#">(link)</a> <a href="#">(press release)</a>	6 Jan	N/A
Ofgem	<b>Ofgem's Approach to the Payment of the Fossil Fuel Levy in Respect of Contract Amendments to Non Fossil Fuel Obligation / Scottish Renewables Obligation</b> <a href="#">(link)</a>	7 Jan	N/A
DECC (Crown Estate)	<b>Offshore Wind Expansion Biggest Ambition in the World</b> <a href="#">(link)</a> <b>PM Heralds Major Wind Energy Expansion</b> <a href="#">(link)</a> <b>The Crown Estate Announces Round 3 Offshore Wind Development Partners</b> <a href="#">(link)</a> <a href="#">(details)</a>	8 Jan	N/A
Ofgem	<b>Electricity Distribution Network Operators Accept Ofgem's Final Proposals for the 2010-2015 Price Control</b> <a href="#">(link)</a>	8 Jan	N/A
EDF Energy Networks (EPN); EDF Energy Networks (LPN); EDF Energy Networks (SPN)	<b>EDF Connection Charging Methodology Modification Proposal. Changes to Bring EDF's Application of the Apportionment Rules Into Line with the Industry Approach</b> <a href="#">(link)</a>	8 Jan	N/A
BIS	<b>Two Wind Farm Schemes Approved</b> <a href="#">(link)</a>	12 Jan	N/A
Ofgem	<b>Minutes of the Meeting of the Gas and Electricity Markets Authority of 19 November 2009</b> <a href="#">(link)</a>	12 Jan	N/A
Ofgem	<b>Consumer Panel: Research Findings from the First Event (Year 2)</b> <a href="#">(link)</a> <b>Consumers Tell Ofgem They Care About Sustainable Development</b> <a href="#">(link)</a>	12 Jan	N/A
Ofgem	<b>Andrew Pinder CBE Appointed as new Chairman of Electricity Industry Panel and ELEXON</b> <a href="#">(link)</a>	12 Jan	N/A
Western Power Distribution (South Wales); Western Power Distribution (South West)	<b>Changes to WPD's Use of System Charging Methodology to Revoke the LV/HV DRM Methodology from the Implementation Date of the CDCM (WPD/WALES/WEST/UOS016)</b> <a href="#">(link)</a>	12 Jan	N/A



## The Pace of Change in Great Britain

Issuer	Title / Link	Date	Response Due
GB SO	<b>Consultation Document – GB ECM-22 Treatment of Exemptable Generation Connected to Embedded Transmission</b> <a href="#">(link)</a>	13 Jan	9 Feb
Ofgem	<b>Currie Lecture, CASS Business School – Project Discovery and the Importance of Gas from the East</b> <a href="#">(link)</a>	13 Jan	N/A
Ofgem	<b>Notice of Intention to Consult and Consultation on WPD's Modification Proposal (WPD/Wales/West/UOS016) to Introduce its Charging Methodology at EHV from April 2010; and Consultation on Western Power Distribution's (WPD) Modification Proposal (WPD/Wales/West/016) to Introduce Changes to its Charging Methodology at Extra High Voltage (EHV) Level from 1 April 2010</b> <a href="#">(link)</a>	14 Jan	11 Feb
Ofgem	<b>Proposed Corporate Strategy and Plan 2010 - 2015</b> <a href="#">(link)</a>	15 Jan	26 Feb
GB SO	<b>Pre-Consultation – GB ECM-23 Transmission Arrangements for Distributed Generation</b> <a href="#">(link)</a>	15 Jan	26 Feb
GB SO	<b>National Grid Electricity Transmission System Operator (SO) Incentives for 1 April 2010 – Initial Proposals Consultation Report</b> <a href="#">(link)</a>	15 Jan	N/A
Ofgem	<b>Community Energy Saving Programme (CESP) Calculator for Carbon Savings Under CESP</b> <a href="#">(link)</a> <b>Community Energy Saving Programme Carbon Emissions Reduction Scores</b> <a href="#">(link)</a>	18 Jan	N/A
Ofgem	<b>Presentational Error in Final Proposals documents for Distribution Price Control Review 5</b> <a href="#">(link)</a>	18 Jan	N/A
Ofgem	<b>Who's Who at Ofgem – Organisational Flowchart</b> <a href="#">(link)</a> <b>Ofgem Appoints New Senior Partner, Transmission and Governance</b> <a href="#">(link)</a>	18 & 22 Jan	N/A
Ofgem	<b>Transmission Access Review – Enhanced Transmission Investment Incentives: Final Proposals</b> <a href="#">(link)</a> <b>Ofgem Confirms a Potential for £1bn Additional Network Investment to Help Meet Carbon Targets</b> <a href="#">(link)</a>	19 Jan	16 Feb



## The Pace of Change in Great Britain

Issuer	Title / Link	Date	Response Due
Ofgem	<b>Regulating Energy Networks for the Future: RPI-X@20 Emerging Thinking</b> <a href="#">(link)</a> <a href="#">(supporting papers)</a> <a href="#">(factsheet)</a> <a href="#">(press release)</a> <a href="#">(BIS)</a>	20 Jan	<b>9 Apr</b>
Ofgem	<b>Domestic Suppliers' Quarterly Social Obligations Report – Q3 2009</b> <a href="#">(link)</a>	21 Jan	<b>5 Mar</b>
BIS (NAO)	<b>The Sale of the Government's Interest in British Energy</b> <a href="#">(link)</a> <a href="#">(full report)</a> <a href="#">(executive summary)</a> <a href="#">(press notice)</a> <a href="#">(methodology)</a>	22 Jan	N/A
Ofgem	<b>Direction Issued to NGET by the Gas and Electricity Markets Authority Pursuant to Paragraph B1(b) of Part B of Schedule A to Special Condition AA5A (Balancing Services Activity Revenue Restriction) of NGET's Electricity Transmission Licence</b> <a href="#">(link)</a>	22 Jan	<b>Effective 1 April 2009</b>
Ofgem	<b>Helping Domestic Customers – Factsheet</b> <a href="#">(link)</a>	22 Jan	N/A
Ofgem	<b>Decision in Relation to ENW/2009/005.2 – Proposal to Amend the EHV Charging Methodologies for Designated EHV premises from April 2010 (Until the Introduction of the EHV Distribution Charging Methodology in April 2011)</b> <a href="#">(link)</a>	22 Jan	<b>Implementation 1 Apr</b>
Ofgem	<b>Notice of Consultation of Special Condition D4 (Pass Through Items)</b> <a href="#">(link)</a>	25 Jan	<b>22 Feb</b>
Ofgem	<b>Transmission Investment for Renewable Generation (TIRG) Determination and Notice: Income Adjusting Event and Asset Value Adjusting Event for the Transmission Investment Project 'Sloy'</b> <a href="#">(link)</a>	25 Jan	N/A
Ofgem	<b>CAP 170 – Current Thinking and Further Consultation on Competition Issues</b> <a href="#">(link)</a>	26 Jan	<b>23 Feb</b>
Ofgem	<b>Electricity Interconnector Policy</b> <a href="#">(link)</a>	26 Jan	<b>30 Mar</b>
Ofgem	<b>Open Letter – Potential Fraudulent Activity</b> <a href="#">(link)</a>	27 Jan	N/A
Ofgem	<b>Sut gallaf gael cyswllt nwy domestig intro?</b> <a href="#">(link)</a> <b>Sut i gysylltu â chyflenwad trydan</b> <a href="#">(link)</a>	25 & 29 Jan	N/A
Ofgem	<b>Connections Industry Review 2008-09</b> <a href="#">(link)</a>	29 Jan	N/A



# The Pace of Change in Great Britain

## New BSC Modifications

Number	Title / Link	Raised By	Date
P250	<i>Prevention of 'Timing Out' of Authority Decisions on Modification Proposals</i> <a href="#">(link)</a>	National Grid	4 Jan

## BSC Modification Decisions

Number	Title / Link	Decision	Implementation
P240	<i>Switching Plant and Apparatus between BM Units</i> <a href="#">(link)</a>	APPROVE	5 working days from 20 Jan
P241	<i>Relaxation of Requirement to Separately Meter Licensable Generating Units</i> <a href="#">(link)</a>	APPROVE	5 working days from 21 Jan
P242	<i>Treatment of Exemptable Generation Connected to Embedded Offshore Transmission Networks</i> <a href="#">(link)</a>	REJECT	N/A
P243	<i>Publication of Generator Forward Availability by Fuel Type</i> <a href="#">(link)</a>	APPROVE Alternative	4 Nov
P244	<i>Provision of BritNed Flow Data to the Balancing Mechanism Reporting Service (BMRS)</i> <a href="#">(link)</a>	APPROVE Alternative	4 Nov
P246	<i>Reporting to LDSOs of Aggregated Metering Data for Embedded Networks</i> <a href="#">(link)</a>	APPROVE	31 Mar



# The Pace of Change in Great Britain

## New CUSC Amendment Proposals

Number	Title / Link	Proposer	Date
CAP 179	<i>Prevention of "Timing Out" of Authority decisions on Amendment Proposals</i> <a href="#">(link)</a>	National Grid	4 Jan

## CUSC Amendment Proposal Decisions

Number	Title / Link	Decision	Implementation
CAP 175	<i>Urgent Amendment Proposals – Revisions to Process</i> <a href="#">(link)</a>	APPROVE	2 Feb
CAP 176	<i>Correction of errors contained in the provisions for post-implementation reviews for Urgent Amendment Proposals</i> <a href="#">(link)</a>	APPROVE	2 Feb
CAP 177	<i>Removal of CUSC Panel's ability to raise Amendment Proposals</i> <a href="#">(link)</a>	REJECT	N/A
CAP 178	<i>Connection and Use of System Code (CUSC) Amendment to the Process for the Approval of CUSC Amendment Panel Meeting Minutes when a CUSC Amendment Panel Meeting Has Been Cancelled</i> <a href="#">(link)</a>	APPROVE	22 Jan

