



This newsletter provides a brief update on the key electricity market design changes currently being progressed within Great Britain, focusing on January 2006.

The newsletter aims to assist electricity market participants who already have a good broad understanding of the GB electricity trading arrangements, and the key documents that underpin them, to keep track of the major consultations that affect the development of the wholesale electricity market. A number of other consultations / decisions that may be relevant are also noted.

This issue covers: Ofgem consultations; publications/announcements by a number of government and other bodies; the EU Emissions Trading Scheme; consultations and reports by National Grid (NGET), and new BSC and CUSC Modifications, decisions, and related matters. This edition also identifies press releases from the EU that may be relevant to the British electricity wholesale sector.

If readers need further information on any of the issues raised in this briefing note, or would like advice on how these changes and other market developments might affect their company, please contact IPA Energy Consulting on 0131 240 0840.

HEADLINES

- The DTI has launched the Energy Review with the publication of a consultation and an announcement that it has asked the HSE to report on health and safety from potential developments including the pre-licensing of new nuclear designs.
- NGET has accepted Ofgem's final proposals for extending its current price control to 31 March 2007.
- Ofgem has published an Impact Assessment on Modification P194 (Revised Derivation of the Main Energy Imbalance Price) which proposes changing the mechanism for calculating cashout prices in the BSC to bring it closer to a marginal price. The IA indicates that whilst Ofgem considers the arguments to be finely balanced, it is currently "minded" to approve the Mod. As the BSC Panel recommended that it should not be implemented, if Ofgem does approve it, this will be the first significant BSC Modification Proposal that could be appealed to the Competition Commission under the powers granted under the 2004 Energy Act.
- Following an emergency meeting of the BSC Panel on 31 January, ELEXON announced that ZEST 4 ELECTRICITY LTD is unable to pay its debts as they fall due and is in default under Part H of the BSC.

Ofgem Issues and Consultations

Title: Extending National Grid Electricity Transmission plc's Transmission Owner Price Control for 2006/07 - Draft licence modifications

Issued: 4 January

Response due: **1 February**

Link:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13429_0406.pdf

Ofgem published its final proposals for extending National Grid Electricity Transmission plc's (NGET's) Transmission Owner Price Control for an additional year to end on 31 March 2007; NGET had until 9 January 2006 to accept the proposals – which it did.

This document sets out Ofgem's initial thoughts regarding the licence conditions that will be required to give effect to the extension; it also describes the process for modifying the licence.

Issue: Annual consultation on Ofgem's strategy and plan for the coming five years.

Title: Corporate Strategy and Plan 2006-2011

Issued: 13 January 2006

Response due: **27 February**

Link:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13515_1306.pdf

Following its consultation on challenges and priorities for the next five years, Ofgem has published a consultation on its proposed "Corporate Strategy and Plan" for the next five years. The Plan is to be finalised by the end of March.

The seven main themes expounded in previous Plans/Strategies are retained but Ofgem notes that it intends to revisit the strategy later in 2006, in the light of the Energy Review and progress on the EU's liberalisation strategy.



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Issue: The development of a revised approach to the structure of Distribution Use of System charges

Title: Electricity distribution charging: Bath University benefit analysis work

Issued: 13 January
Response due: **24 February**

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13512_1206.pdf

Ofgem has published an open letter seeking views on issues associated with the value/benefits of changing the methodology for setting DUoS charges (for both generation and demand) and various aspects of the possible approaches including cost of implementation at voltages below EHV.

Issue: Revocation of Utility Link's Supply Licence and transfer of customers to London Electric plc following insolvency.

Licence revocation issued: 17 January
Effective from: 00:00 19 January

Supplier of Last Resort Notice issued: 18 January
Effective: 00:00 19 January – 00:00 19 July 2006

Link to revocation notice:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13566_ULjan06.pdf
Link to Supplier of Last resort Notice:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13568_LRSD_reasons_for_decision_Jan18.pdf

Ofgem has revoked Utility Link's licence following its financial difficulties and appointed London Electricity as supplier of last resort for Utility Link's customers for six months.

Issue: An update on how Ofgem proposes to implement its objective of improving the length and readability of its documents.

Title: Project paperless – way forward

Issued: 17 January
Response due: n/a

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13560_paperless.pdf

Ofgem has published an open letter setting out a two phase approach to meeting it's objective to improve

the length and readability of its documents. Under phase 1 there will be improvements to the document design and layout (including a target length of less than 40 pages (excluding appendices) unless a longer document is needed). Under Phase 2, to be delivered in 2006-2007, a move to publishing all documents electronically with good navigational links.

Issue: Annual updating of the "Buy-Out Price" for the Renewables Obligation

Title: Renewables Obligation Buy-Out Price Published

Issued: 23 January
Response due: n/a

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13625_r3_23jan06.pdf?wtfrom=/ofgem/press/pressrelease-list.jsp

Ofgem has announced that the buy-out price for the Renewables Obligation for the fifth obligation period (1 April 2006 to 31 March 2007) is £33.24 per MWh. This is the price Suppliers pay for each MWh they fall short under the obligation.

Issue: Ofgem's impact assessment of NGET's proposal that the mechanism for calculating cashout prices in the BSC should be changed so that is closer to a marginal price.

Title: BSC modification proposal P194 'Revised Derivation of the Main Energy Imbalance Price' Impact assessment

Issued: 26 January
Response due: **23 February**

Ofgem decision promised for 23 March (the latest date that would allow the modification to be implemented in time for winter 2006/07).

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13685_1706.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has published a detailed impact assessment on NGET's modification proposal to change the calculation of the cashout price so it is closer to a marginal price.

The current cashout rules create a stack (called the NIV or net imbalance volume) of costs incurred by NGET in the forward market and Balancing



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Mechanism that are treated as “energy” related as opposed to “system” related. Under the current rules the “main” energy imbalance price (System Buy Price when the system is short and System Sell Price when the system is long) is calculated from the weighted average value of all the costs in the stack. Under this Modification Proposal the price would be calculated from a preset volume of the most adverse costs in the stack. The proposed volume is 100MW. Where the NIV is smaller than 100MW there would be no change to the calculated price; however where the NIV volume is more than 100MW the new methodology would lead to more adverse imbalance prices.

Ofgem notes that industry views are mixed but that the majority of consultation respondents and BSC Panel Members opposed implementation. Ofgem states that, in its view, the arguments are finely balanced but it is currently minded to approve the modification. If it does then, because the Panel voted against it, the decision can be appealed to the Competition Commission under the new right of appeal.

Ofgem’s reasoning is that, on balance, the analysis suggests that the proposal:

- should provide more appropriate signals at times of system stress;
- should reduce the impact of reserve on cash out prices; and
- may improve incentives on market participants to re-price bids and offers so that they are closer to marginal costs at the time of system stress.

However, Ofgem notes it is unlikely to resolve (and may exacerbate) constraint issues.

GOVERNMENT AND OTHER BODIES

DTI

Issue: DTI’s 2005/06 review of the Renewables Obligation and changes to the Renewables Obligation Order

Title: Department of Trade & Industry Renewables Obligation Order 2006 – Final Decisions

Issued: 16 January
Response due: n/a

Link:
http://www.dti.gov.uk/renewables/renew_2.2.5c.htm

In 2005, as part of the 2005/6 review, the DTI consulted on possible changes to the Renewables

Obligation. The DTI has now published its decisions and the changes it proposes to make the Renewables Obligation Order (the secondary legislation governing the detailed administration of the Obligation) and which confirms its intention to introduce changes to primary legislation, via the Climate Change and Sustainable Energy Bill, to ease the administrative burden for small players. The decision document is accompanied by the draft order.

The final order was laid before Parliament on 31 January.

New Appointments to the Renewables Advisory Board

Issued: 16 January
Response due: n/a

Link: http://www.wired.gov.net/EDP8203R7W/WGArticle.aspx?WCI=htmlArticleView&WCU=ARTCL_PKEY%3d36574%2cALERT_TYPE%3d15

Malcolm Wicks has announced the appointment of seven new members to the Renewables Advisory Board as follows:

Mr Keith Anderson.
Dr Paul Jefferiss.
Mr Andrew Mill.
Mr Kevin Mccullough.
Mr David Scaysbrook.
Mr Graham Sinden.
Mr Matthew Spencer.

(full details in the press release)

Issue: Government’s review of progress in meeting the objectives of the Energy White paper and the future and role of nuclear and other clean generation technologies

**Title: Our Energy Challenge
Securing clean, affordable energy for the long-term**

Issued: 23 January
Response due: **14 April**

Link to energy review site:
<http://www.dti.gov.uk/energy/review/>
Link to press release:
<http://www.gnn.gov.uk/content/detail.asp?NewsAreaID=2&ReleaseID=184911>



The DTI has launched its Energy Review consultation document. The consultation gives background to the UK's current energy position; changes since the white paper was published in February 2003; and the technologies that may be able to fill the future gap in an environmentally friendly and secure way.

Points of note from an electricity perspective include statements that:

- decisions for new generation capacity are a matter for generating companies, within the market framework established by Government, and the Review will consider whether there is case for changing that framework;
- many of the potential sources of low carbon generation face technological uncertainty and "other barriers" – these technologies are listed as including renewables and micro-generation, carbon capture and storage, and nuclear; and
- in the absence of significant breakthroughs in storage, it is suggested that grid constraints will set the upper bound for wind and wave, and the need for flexibility will set the limits for nuclear (whilst it is noted that there is a need to look at how different patterns of generation and demand will affect transmission and distribution networks, this is accompanied by a sense of business as usual from an operational perspective).

There is very little discussion on the role of demand side measures other than the EU ETS and a number of comments to the effect that the effect of energy efficiency measures has been less than expected for a number of reasons including the "rebound effect" where users who invest in energy efficiency measures spend some of their savings on increased use of energy (warmer homes rather than lower bills).

The questions posed in the consultation are:

"The key issues on which it may be useful to focus can be summarised as follows:

Q.1. What more could the government do on the demand or supply side for energy to ensure that the UK's long-term goal of reducing carbon emissions is met?

Q.2. With the UK becoming a net energy importer and with big investments to be made over the next twenty years in generating capacity and networks, what further steps, if any, should the government take to develop our market framework for delivering

reliable energy supplies? In particular, we invite views on the implications of increased dependence on gas imports.

Q.3. The Energy White Paper left open the option of nuclear new build. Are there particular considerations that should apply to nuclear as the government reexamines the issues bearing on new build, including long-term liabilities and waste management? If so, what are these, and how should the government address them?

Q.4. Are there particular considerations that should apply to carbon abatement and other low-carbon technologies?

Q.5. What further steps should be taken towards meeting the government's goals for ensuring that every home is adequately and affordably heated?

Comments are also invited on the following issues, as described in the text:

i. The long term potential of energy efficiency measures in the transport, residential, business and public sectors, and how best to achieve that potential;

ii. Implications in the medium and long term for the transmission and distribution networks of significant new build in gas and electricity generation infrastructure;

iii. Opportunities for more joint working with other countries on our energy policy goals;

iv. Potential measures to help bring forward technologies to replace fossil fuels in transport and heat generation in the medium and long term."

At the same time that the consultation was launched, Government announced that it had asked the HSE to report on the "potential health and safety risks arising from recent and potential energy developments and on the HSE's approach to ensure that risks arising from these are sensibly managed by industry, including

- An increased need for gas storage in the UK;
- New demonstration projects for carbon capture and storage, and its potential in the UK;
- Increasing penetration of renewables and distributed generation in the UK;
- In the event of the building of new nuclear power stations, the potential role of pre-licensing assessments of candidate designs."



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Issue: establishment of a new body to promote research into low carbon energy technologies

Title: New Industry-Government Body Officially Launched

Issued: 25 January

Response: n/a

Link: http://www.wired-gov.net/EDP8203R7W/WGArticle.aspx?WCI=htmlArticleView&WCU=ARTCL_PKEY%3d36756%2cALERT_TYPE%3d15

DTI has announced the establishment of a new “public-private” body - the Energy Research Partnership (ERP) tasked with identifying priorities for energy research to deliver commercial technologies/approaches for accelerating carbon reduction and addressing energy sector skills. The ERP will be co-chaired by Sir David King, the Government’s Chief Scientist, and Dr Paul Golby, Chief Executive of E.ON UK.

Issue: DTI has published an update to the Quarterly Energy prices published in December 2005

Title: Quarterly Energy Prices Update

Issued: 26 January

Response: n/a

Link: http://www.dti.gov.uk/energy/inform/energy_prices/prices_update.shtml

DTI has published an update to the Quarterly Energy prices published in December 2005.

TREASURY

Issue: Consultation/Discussion document from the Stern Review which is charged with undertaking a wide ranging review of the economics of climate change and measures to address it and to report to the Prime Minister and Chancellor by Autumn 2006.

Title: Title: What is the Economics of Climate Change

Issued: 31 January

Response due: 17 March

Link: http://www.hm-treasury.gov.uk/media/213/42/What_is_the_Economics_of_Climate_Change.pdf

The Stern Review has issued a discussion / consultation document on the economics of climate change. The document is in three parts with part 1 giving background to the science and implications of climate changing actions and part 2 focusing on the economic analysis. Part two is further subdivided into three assessment areas:

- “adaptation” – the impact of climate change on growth and development;
- “mitigation” – what can be done to reduce the impact in different regions and sectors; and
- “uncertainties” – the implications of “uncertainties” and “irreversibilities.”

Part three considers how to create and sustain international collective action. The document identifies a series of “key questions” for each area.

The EU ETS

Issue: The EU issues guidance to members which provides the framework which member states government’s must use in developing their National Allocation Plans under the EU ETS. This has now been published for Phase 2 of the scheme.

Title: COMMUNICATION FROM THE COMMISSION: Further guidance on allocation plans for the 2008 to 2012 trading period of the EU Emission Trading Scheme

Issued: 5 January 2006

Response due: n/a

Links:

EU Press release:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/9&format=HTML&aged=0&language=EN&guiLanguage=en>

Communication:

http://www.europa.eu.int/comm/environment/climat/pdf/nap_II_guidance_en.pdf

Q&A briefing:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/06/2&format=HTML&aged=0&language=EN&guiLanguage=en>

The Commission has issued the guidance to be used by Member States in producing their National Allocation Plans (NAPs) for Phase 2 of the EU ETS. Member states are required to submit their NAPs by 30 June 2006. This is also the deadline by which the Commission must report to the Council and Parliament on experience to date with the ETS as a whole, including any proposals for improving the functioning of the EU Emissions Trading Scheme that are seen to be appropriate. The deadline for

1st February 2006

approval of Member States' NAPs by the Commission is the end of 2006. The guidance notes, under the section on lessons learnt, that the Commission will not accept amendments to NAPs notified after the deadline of 31 December 2006 other than those required by the Commission's decisions.

Under the EU's approach a Member State cannot increase the level of its national cap between the first and second trading period but Member States may maintain their Phase 1 cap if they are "well on track" to meeting their Kyoto targets. However, Member States which are not sufficiently on track must reduce their caps. Overall, the Q&A states that this methodology would lower the annual EU-wide ETS cap in the second phase by some 6%.

Title: "Implications of the EU Emissions Trading Scheme for the UK Power Generation Sector"

Issued: n/a

Response due: n/a

Links:

http://www.dti.gov.uk/energy/sepn/ipa_euets_report.pdf

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IPA's report "Implications of the EU Emissions Trading Scheme for the UK Power Generation Sector", commissioned by the DTI, has been published on their website.

The study investigated the impact of the EU Emissions Trading Scheme and the implementation of Phase II on investment and pricing within the UK power generation sector.

The report investigates the following:

- **Impact on Prices** - The cost of carbon is expected to add a direct uplift to wholesale power prices but, in relation to other European countries, GB retail power prices are expected to remain amongst the cheapest.
- **Impact on Profitability** – Free allocations have significantly increased the sector profitability over Phase I but this is expected to decline over future Phases.
- **Impact on Plant Mix and Emissions** - Higher carbon prices reduce the competitiveness of the more carbon intense coal generation plants. This, coupled with nuclear closures, drives the GB plant mix to converge on a CCGT-dominated system.

- **Sensitivity to Carbon Price** – The sensitivity of wholesale prices to carbon prices increases with higher carbon prices. The economics of new build and closure decisions are also highly sensitive to the carbon price.
- **Sensitivity to the Volume of Free Allocations to New Entrants** – The volume of free allocations to new entrants for Phases II & III affects the commissioning date of new entrants and has an impact on the total sector emissions.
- **Sensitivity to the Rules Governing the Retention of Allowances for Closed Plants** – Allowing closed installations to retain allowances for the remainder of a Phase could potentially advance coal closures.
- **The Use of CERs** – The use of CERs will reduce the effective price of carbon to which generators are exposed.
- **Overall Allocation Volume** – The overall allocation volume primarily affects the profitability of existing plant, potentially affecting closure decisions and system margin.

The full report can be accessed from the DTI website

NFPA

Auction Of Renewable Obligation Certificates By NFPAS- Results

Issued: **19 January 2006**

Response: n/a

The NFPA has published the results from its latest (19 January) "eROC" Auction of Renewable Obligation Certificates (ROCs). 197,930 ROCs were purchased at an average price of £38.42; the average price at the last auction (October 2005) was £39.17 for 216,000 ROCs.

The European Union - Electricity industry related press releases (titles & links)

Title: Andris PIEBALGS Energy Commissioner EU Biofuels Policy: Opening of the Bioethanol Stand at the European Motor Show (speech) Brussels, 12 January 2006

Link:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/06/2&format=HTML&aged=0&language=EN&guiLanguage=en>



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**Title: Andris PIEBALGS Energy Commissioner
The European initiative on Energy Efficiency
Joint Meeting ITRE – National Parliaments
(speech)
Brussels, 24 January 2006**

Link:
<http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/06/31&format=HTML&aged=0&language=EN&guiLanguage=en>

**Title: European citizens in favour of a European
Energy policy, says Eurobarometer survey**

Date issued: 24 January 2006

Link:
<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/66&format=HTML&aged=0&language=EN&guiLanguage=en>

GB SO REPORTS AND CONSULTATIONS

**Issue: Consultation on the change to the use of
system and connection methodologies to give
effect to charges to apply in the next financial
year**

Titles:

**The Statement of the Use of System Charging
Methodology
Effective from 1 April 2006
&
The Statement of the Connection Charging
Methodology
Effective from 1 April 2006**

Issued: 30 January 2006
Response due: **28 February**

NGET has published changes to the charging methodologies to give effect to the new charges that will apply in the next financial year. The majority of changes are fairly minor/typographical. The key changes in the Use of System Charging Methodology are the increase in the expansion co-efficient from £9.80/MWkm to £10.07/MWkm. Indicative TNUoS charges were published in December (link: http://www.nationalgrid.com/NR/ronlyres/35969530-69ED-4430-9FDC-D7DC340F62B1/5405/DraftTariffs2006_2007.xls).

The main change in the Connection Methodology is a minor clarification on the boundary definition and updating of the examples.

THE BSC AND CUSC

The BSC

BSC Party in Default – ZEST 4 ELECTRICITY LTD

ELEXON has issued a circular indicating that ZEST 4 ELECTRICITY LTD is unable to pay its debts as they fall due and is in default under Section H of the BSC and attaching the resolutions passed by the BSC Panel at an emergency meeting on 31 January. Further details can be found in the “Circulars” section at: <http://www.elexon.co.uk/publications/circulars/default.aspx>

New Modification proposals

Modification: P199 (“Quantification of Demand Control in the BSC as instructed under OC.6 (c),(d) & (e) of the Grid Code”) was submitted by National Grid on 30 January 2006.

The Modification proposes that, where a Demand Control instruction is issued under the Grid Code, each BM Unit that is affected by the instruction will be treated as if it has had an offer accepted in the Balancing Mechanism. The mechanism for determining the volume of the accepted offer is to be developed (it is suggested that the approach developed under a previous, failed, modification (P138) could be used). The acceptance is “un-priced” – so affected suppliers receive no payment for the accepted offer. The accepted offer will feed through into the price setting process in the same way as all other existing un-priced offers.

BSC – joiners and leavers

Cinergy Global Power (UK) Ltd will withdraw from the Balancing and Settlement Code on 01 February 2006.

BSC Miscellaneous

BSC Panel Resolutions in Respect of Utility Link Limited

Following an urgent Panel meeting on 6 January and a consultation by the BSC Panel on whether to instate proceedings to recover outstanding debts, on 10 January BSC Panel passed a number of further resolutions including an instruction to BSCCo to institute proceedings on behalf of the BSC Clearer against the Non-paying Debtor [Utility Link] for the



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recovery of the Amount in Default and the interest on it. Further information can be found in circulars on ELEXON's website (dated 6 and 10 January) at: <http://www.elexon.co.uk/Publications/Circulars/default.aspx>

New Standing Issue: Issue 22 – 'Indebtedness'

Smartest Energy raised Standing Issue 22, on 18 January, to look at the calculation of a party's indebtedness (that feeds in to the credit cover to be posted). The first meeting took place on Friday 27 January.

Link to further information:

http://www.elexon.co.uk/documents/issues/22/Issue_22.pdf

Panel Consultation - Credit Assessment Price Consultation

Issued: 24 January 2006
Response due: **7 February**

ELEXON has issued a consultation seeking Parties' views on increasing CAP (the Credit Assessment Price used in the calculation of the amount of credit Parties need to post) to £39.00/MWh from 1 April 2006. The issue will go to the BSC Panel meeting on on 9 February 2006.

Link to circulars:

http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01351.pdf

CUSC

CUSC Amendment Proposals

Authority Decisions – Rejected Amendments

CAP093 - (Enabling the Flow of Electricity from Distribution Systems into the Transmission System at Grid Supply Points). The CAP, which was raised by Central Networks, sought to alter the definitions of Grid Supply Points and Distribution Systems to recognise that, with the increase in distributed generation, power can flow from a distribution network to the transmission system.

Authority Decisions – APPROVED Amendments

CAP108-112 (Housekeeping Amendments) – The Authority has approved all five of the Housekeeping amendments, raised by NGET in December 2005, on 31 January 2006. Implementation date is 10 Business Days after the decision (14 February).

New CAPs

CAP113- 118 (Housekeeping Proposals). NGET has raised 6 "Housekeeping" CAPs.

CAP119 (Clarification of, and correction to, the table of Users' Credit Allowances). The Cap was raised by NGET to address an error in the original table and improve clarity.

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SUMMARY OF JANUARY 2006 CONSULTATIONS & NEW BSC AND CUSC MODS 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.

CARRIED FORWARD FROM LAST EDITION...		Issued	Response Due
OPDM	Title: Proposals for introducing a Code for Sustainable Homes Link: http://www.odpm.gov.uk/embedded_object.asp?id=1162095	1 December	6 March
Ofgem	Title: Consultation on electricity distribution reactive power charges - Central Networks and United Utilities Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13049_Reactive_power_consultation.pdf?wfrom=/ofgem/whats-new/archive.jsp	1 December	16 January
Ofgem	Title: Electricity Distribution Cost Review 2004/05 Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13123_263_05.pdf?wfrom=/ofgem/whats-new/archive.jsp	6 December	comments are requested by the end of April 2006
DTI	Title: Measuring Instruments Directive: Implementation – Gas & Electricity Meters Consultation on proposed regulations Link: http://www.dti.gov.uk/energy/consultations/measuring_instruments.pdf	14 December	10 March
Ofgem	Title: Prepayment meters: Update document on new powers under the Energy Act 2004 including draft statutory instrument Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13224_289_05.pdf	26 December	10 February
Ofgem	Title: National Grid Electricity Transmission System Operator Incentives 2006-7 Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13405_Initial_proposals_letter_FINAL_corrected.pdf Link to appendices: http://www.ofgem.gov.uk/ofgem/whats-new/index.jsp?section=whats-new&levelids=.1_12499#top12499	22 December	2 February
DTI	Title: Commencement of section 179 of the Energy Act: Amending the definition of electricity supply		Commences 1 April

New in January.....			
Ofgem	<p>Title: Extending National Grid Electricity Transmission plc's Transmission Owner Price Control for 2006/07 - Draft licence modifications</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13429_0406.pdf</p>	4 Jan	1 February
EU ETS	<p>Title: COMMUNICATION FROM THE COMMISSION: Further guidance on allocation plans for the 2008 to 2012 trading period of the EU Emission Trading Scheme</p> <p>Links: EU Press release: http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/9&format=HTML&aged=0&language=EN&guiLanguage=en Communication: http://www.europa.eu.int/comm/environment/climat/pdf/nap_II_guidance_en.pdf Q&A briefing: http://europa.eu.int/rapid/pressReleasesAction.do?reference=M/EMO/06/2&format=HTML&aged=0&language=EN&guiLanguage=en</p>	5 Jan	
Ofgem	<p>Title: Corporate Strategy and Plan 2006-2011</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13515_1306.pdf</p>	13 Jan	27 February
Ofgem	<p>Title: Electricity distribution charging: Bath University benefit analysis work</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13512_1206.pdf</p>	13 Jan	24 February
DTI	<p>Title: Department of Trade & Industry Renewables Obligation Order 2006 – Final Decisions</p> <p>Link: http://www.dti.gov.uk/renewables/renew_2.2.5c.htm</p>	16 Jan	
DTI	<p>New Appointments to the Renewables Advisory Board</p> <p>Link: http://www.wired.gov.net/EDP8203R7W/WGArticle.aspx?WCI=htmArticleView&WCU=ARTCL_PKEY%3d36574%2cALERT_TYPE%3d15</p>	16 Jan	
Treasury/ Stern Review	<p>Title: What is the Economics of Climate Change</p> <p>Link: http://www.hm-treasury.gov.uk/media/213/42/What_is_the_Economics_of_Climate_Change.pdf</p>	31 Jan	17 March
Ofgem	<p>Revocation of Utility Link's Supply Licence and transfer of customers to London Electric plc following insolvency.</p>		Licence revocation issued: 17 January Effective from: 00:00

	<p>Link to revocation notice: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13566_ULjan06.pdf</p> <p>Link to Supplier of Last resort Notice: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13568_LRSD_reasons_for_decision_Jan18.pdf</p>		<p>19 January</p> <p>Supplier of Last Resort Notice issued: 18 January</p> <p>Effective: 00:00 19 January – 00:00 19 July 2006</p>
Ofgem	<p>Title: Project paperless – way forward</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13560_paperless.pdf</p>	17 Jan	
Ofgem	<p>Title: Renewables Obligation Buy–Out Price Published</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13625_r3_23jan06.pdf?wtfrom=/ofgem/press/pressrelease-list.jsp</p>	23 Jan	
DTI	<p>Title: Our Energy Challenge Securing clean, affordable energy for the long-term</p> <p>Link to energy review site: http://www.dti.gov.uk/energy/review/</p> <p>Link to press release: http://www.gnn.gov.uk/content/detail.asp?NewsAreaID=2&ReleaseID=184911</p>	24 Jan	14 April
Panel/ ELEXON	<p>Panel Consultation - Credit Assessment Price Consultation</p> <p>Link to circulars: http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01351.pdf</p>	24 Jan	7 February
DTI	<p>Title: New Industry-Government Body Officially Launched</p> <p>Link: http://www.wired-gov.net/EDP8203R7W/WGArticle.aspx?WCI=htmArticleView&WCU=ARTCL_PKEY%3d36756%2cALERT_TYPE%3d15</p>	25 Jan	
DTI	<p>Title: Quarterly Energy Prices Update</p> <p>Link: http://www.dti.gov.uk/energy/inform/energy_prices/prices_update.shtml</p>	25 Jan	
Ofgem	<p>Title: BSC modification proposal P194 ‘Revised Derivation of the Main Energy Imbalance Price’ Impact assessment</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13685_1706.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	26 Jan	<p>Response due: 23 February</p> <p>Ofgem decision promised for 23 March</p>

			(the latest date that would allow the mod to be implemented for winter 2006/7).
NGET	The Statement of the Use of System Charging Methodology Effective from 1 April 2006 & The Statement of the Connection Charging Methodology Effective from 1 April 2006	30 Jan	28 February

BSC and CUSC Mods & Decisions January 2006			
BSC Mods decisions.....			
P193	Improved Arrangements for Modification Proposals. Status: APPROVED 16 December 2005. Implementation date: 22 December Panel recommendation: Approve.	APPROVED	Implement 22 December 2005
BSC – new Mods.....			
P199	Quantification of Demand Control in the BSC as instructed under OC.6 (c),(d) & (e) of the Grid Code”)	National Grid	30 January
CAP Decisions...			
CAP093	Enabling the Flow of Electricity from Distribution Systems into the Transmission System at Grid Supply Points	REJECTED	
CAP108-112	Housekeeping Amendments) – The Authority approved all five of the Housekeeping amendments	APPROVED on 31 January	10 BDs after approval
New CAPs.....			
CAP 119	Clarification of, and correction to, the table of Users’ Credit Allowances.	NGET	
CAPs (113 - 118)	Housekeeping Amendments	NGET	