



IPA Energy Consulting

## IPA ENERGY CONSULTING MONTHLY BRIEFING THE PACE OF CHANGE IN GREAT BRITAIN

This newsletter provides a brief update on the key electricity market design changes currently being progressed within Great Britain, focusing on July 2005.

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; BETTA; publications/announcements by a number of government and other bodies; Transmission charging issues; and the BSC and CUSC Modifications and related matters.

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

### HEADLINES

- The new right of appeal to the Competition Commission on Energy Code modification decisions came into effect on 14 July.
- The Secretary of State has published his first statutory report, required under the Energy Act, on security of supply – much of is drawn from NGT's May consultation on the Winter Outlook Report for 2005/06.
- Ofgem has taken the first steps to developing the new price controls for gas and electricity transmission for implementation in 2007.
- There have been nine nominations for the positions of CUSC Panel members and Alternates; the elections will determine which of the nominees will take the 7 posts for Members – voting papers are to be returned by 5pm on Friday 26 August 2005.
- National Grid has been changing its names – on 27 July “National Grid Company plc” became National Grid Electricity Transmission plc” and the Group Company name changed from “National Grid Transco plc” to “National Grid plc”.
- The Environmental Audit Committee has announced a new inquiry “Keeping the Lights on: Nuclear, Renewables, and Climate Change” – written submissions are invited by 21 September.
- Ofgem has approved the first Registered Power Zone (RPZ) which covers the Bicker Fen, Boston and Skegness areas in the Central Networks East Midlands distribution area.

### Ofgem Issues and Consultations

**Notice under paragraph 2 of schedule 6A of the Competition Act 1998 of the Gas and Electricity Authority's proposal to accept commitments pursuant to section 31A(2) of the Competition Act 1998**

On 27 June, Ofgem issued a notice indicating its intention to close its inquiry into the investigation of SP Manweb plc in the supply of electricity connection services by accepting commitments offered by the company. Views were sought on the proposal and the commitments by **22 July**.

The notice can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11762\\_15205.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11762_15205.pdf)

### **New Power Zones will connect more Renewable Generators to the electricity network**

On 29 June, Ofgem announced it had given the go-ahead for the first ‘power zone’ for connecting renewable generators to the distribution network. The Registered Power Zone (RPZ) covers the Bicker Fen, Boston and Skegness areas in the Central Networks East Midlands distribution area where the amount of renewable generators requesting connections in the local area currently outstrips the capacity of the network.

The press release can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11767\\_Ofgem28.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11767_Ofgem28.pdf)

### **Social Action Strategy**

On 30 June, Sir John Mogg launched Ofgem's latest five year social action strategy which follows on from its Social Action Plan published in March 2000. Comments on the strategy are invited by **1 September**.

The strategy can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11775\\_15505a.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11775_15505a.pdf)

& the accompanying press release (“rising fuel prices threaten progress on tackling fuel poverty”), at:



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[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11772\\_r29\\_30june05.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11772_r29_30june05.pdf)

### Review of Suppliers' Corporate Social Initiatives

Also on 30 June, Ofgem published a Review of Suppliers' Corporate Social Initiatives prepared for it by Energy Service Partnership, which assesses the progress suppliers are making in Corporate Social Responsibility Programmes relevant to vulnerable customers.

The review can be found at:  
[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11774\\_15505b.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11774_15505b.pdf)

### Ofgem's draft guidelines for determining Disputes and Complaints arising under the European Directives 2003/54/EC and 2003/35/EC

On 30 June, Ofgem published draft guidelines for dealing with disputes and complaints made under Articles 23 and 25 of the European directives on the internal markets for electricity and gas. The guidelines are in draft awaiting DTI decisions on implementation of these articles.

The guidelines cover:

- determination of what constitutes a valid dispute;
- the timetable for handling disputes;
- decisions on disputes;
- determination of what constitutes a valid complaint;
- consideration of complaints (covering proposed methodologies and the timetable for handling complaints – the guidelines note that as there is no timescale for determining a dispute within the Articles the timescales will depend on the complexity of the dispute).

Decisions in relation to complaints will be placed on the public register.

The draft guidelines can be found at:  
[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11825\\_157052.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11825_157052.pdf)

### The Energy Efficiency Commitment 2002 – 2005 Decision in relation to Ofgem's open letter of 16 June 2005

Ofgem has confirmed its proposal to allow a supplier to include a scheme under the Energy Efficiency Commitment where no record can be found that the scheme was submitted to Ofgem for approval. The supplier has agreed to forgo 5% of the savings [Not half the savings as incorrectly reported in the

previous newsletter – apologies for any inconvenience this error may have caused!].

The decision can be found at:  
[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11783\\_15805.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11783_15805.pdf)

### Gas and Electricity Markets Authority minutes published for First Time

On 5 July, Ofgem issued a press release stating that it will be publishing reports of the Authority's monthly meetings. The reports will be made available one month after the meeting.

The press release can be found at:  
<http://www.ofgem.gov.uk/ofgem/work/template1.jsp?section=/homepage/stoppress&id=11071>

The April and May meeting reports have been published. The reports can be found at:  
<http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/aaauthority>

### Ofgem's response to the Super-complaint on billing processes made by the Gas and Electricity Consumer Council

Ofgem published its decision on Energywatch's super-complaint on 5 July. Ofgem indicates that its analysis has not identified significant and widespread consumer detriment associated with billing processes and that, for the vast majority of customers, the competitive energy market is working well. However, where customers have reason to complain it concludes that there is evidence that the market "does not always serve them well".

In response to the complaint Ofgem calls for action from suppliers, by July 2006, in three areas:

- *"Independent dispute resolution body: energy suppliers should establish and finance, by July 2006, an independent dispute resolution body with the principal function of addressing account and billing disputes where the customer is able to demonstrate that (s)he has been unable to resolve the dispute with the supplier. The body should have powers to award compensation to customers who are shown to have received very poor customer service. A similar body exists in the telecommunications industry*



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- **Back-billing:** *energy suppliers should, by July 2006, stop seeking payment from customers for any energy supplied where the supplier is at fault for not billing the customer for two years. From July 2007, energy suppliers should stop seeking payment for unbilled energy where a supplier has failed to bill for over 12 months and is at fault for not doing so, and*
- **Unfair contract terms:** *energy suppliers should, by July 2006, review the terms and conditions in their supply contracts and change them where necessary. The review should ensure that contracts are as simple as possible, comply with consumer rights' legislation and are not biased in suppliers' favour."*

Ofgem indicates that licence changes will be made if suppliers fail to deliver.

The decision can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11828\\_16305.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11828_16305.pdf)

### Refocusing Ofgem's Asset Risk Management (ARM) Activity

On 14 July, Ofgem issued an open letter and questionnaire on its approach to ARM in the light of industry restructuring and British Standards PAS 55 (Publicly Available Specification) on asset management best practice. Comments are invited by **31 August**.

The letter & questionnaire can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11901\\_17005\\_ofgem.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11901_17005_ofgem.pdf)

### TXU UK Ltd and Atlantic Electric and Gas Ltd fail to comply with Energy Efficiency Commitment

On 20 July, Ofgem issued a press release on the failure of TXU and Atlantic Electric and Gas to meet their obligations under the EEC. However, Ofgem has concluded that because of the status of the two companies it would serve no practical purpose to impose financial penalties in these cases.

The press release can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11924\\_r31\\_20july05.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11924_r31_20july05.pdf)

### Annual Report for 2004 – 2005 Ofgem faces difficult challenges ahead

On 25 July, Ofgem published its Annual Report for 2004 – 2005 and a press release (titled as above).

The report can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11927\\_annualreport05.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11927_annualreport05.pdf)

& the press release:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11948\\_r33\\_25july05.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11948_r33_25july05.pdf)

### Assessment of the Electricity Distribution Price Control Review Process Conclusions

On 26 July, Ofgem published the conclusions from its assessment of the process used in determining the 2005 price controls for Distribution Network Operators (DNOs) and the lessons learnt. Whilst the review indicates that there were many positive comments on improvements compared to previous price controls, it also identified a number of criticisms and areas for improvement. Areas where proposals for change are identified include:

- reducing the number of consultation documents and concurrent projects;
- annual cost reporting;
- to aim to resolve as much as possible of the policy framework as early as possible;
- better engagement with non licensees through additional workshops later in the process;
- to make decisions on the use and scope of consultants earlier in the review if possible (around the time of the initial consultation if practicable); and
- appointment of a dedicated project manager and, as far as possible, integration of the price control review team (including technical expertise).

The review can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11955\\_17505.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11955_17505.pdf)

### Regulation of Independent Electricity Distribution Network Operators (IDNOs)

Also on 26 July, Ofgem published its decision on the regulation of Independent Distribution Network Operators and incumbents operating out of their own areas. The conclusions cover:

- Price controls for IDNOs;

Ofgem proposes to introduce a "relative price control framework" under which IDNOs charges follow the host DNO's charges subject to a cap and a floor at +/-5% rising to +/- 10% after 5 years with the new arrangements coming into effect on 1 April 2006.



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- financial ring fencing of IDNOs;

Changes are to be introduced to include similar provisions for financial ring fencing to those included in the licences of ex PES DNOs as part of the last price control review. This includes a “cash lock up” arrangement that limits the ways in which IDNOs can transfer cash (or equivalent) to any affiliate or related undertaking without the prior approval of the Authority.

- changes to the industry contractual and commercial framework to incorporate IDNOs;

This encompasses treatment of:

- boundary equipment (with the IDNO paying for one set of protection/isolation equipment at the interface;
- boundary metering (with the solution to determining boundary flows left to the industry to determine but with costs to be borne by the IDNO); and
- IDNO credit cover requirements and Credit Cover for upstream DUoS (Ofgem note that it has not previously consulted on credit cover arrangements and seeks views on its proposed approach).

- new licence conditions for IDNOs.

Ofgem proposes to introduce three licence conditions, from Section C (which only applies to x-PES DNOs), into Section B of the licence and to make them ineffective in Section C. These are:

- SLC34** – Compulsory Acquisition of Land etc,
- SLC35** – Other Powers etc; and
- SLC48** – Last Resort Supply: Payment Claims.

SLC48 would be introduced in an amended form, which is more flexible for IDNOs.

The annexes contain the proposed revisions to the standard licence conditions to give effect to the above changes. Comments are invited by **9 September**.

The document can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta ch/11958\\_17605.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta ch/11958_17605.pdf)

### **New price controls for gas and electricity transmission in 2007**

**In July, Ofgem kicked off the process of developing the new price controls for 2007, for transmission of gas and electricity, with the publication of a number of consultation/information documents including work on the extension of NGC’s transmission owner price control for 2006/07. These are noted below.**

#### **Open Letter on Extending National Grid Company's Transmission Owner Price Control for 2006/07**

On 22 July, Ofgem published an open letter setting out Ofgem’s further thoughts on the key policy issues for the one year extension of the current NGC price control. The letter refers to the work of PB Power in reviewing NGC’s capital expenditure proposals on Ofgem’s behalf (see below). The letter sets out and reviews options for setting the interim RAV (Regulatory Asset Value), the Capital Expenditure allowance for 2006/07, the cost of capital, and operating expenditure. In a couple of areas further adjustments could be made in light of further work to be undertaken as part of the longer term price control.

Comments are invited by **19 August**.

The open letter can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta ch/11959\\_17105.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta ch/11959_17105.pdf)

#### **Transmission price control review Initial consultation**

Also on 22 July, Ofgem published its initial consultation on the review of the price controls of the three electricity transmission licensees, National Grid Company (NGC) plc, Scottish Power Transmission (SP Transmission) Limited, and Scottish Hydro-Electric Transmission Limited (SHETL), and the licensed gas transporter responsible for the gas transmission system, Transco NTS.

Chapter 3 of the consultation provides a high level description of the four licensees, including a summary of the current price controls, and the legal framework and regulatory framework under which the licensees and Ofgem operate.

Chapter 4:

- outlines/reviews the background framework against which the proposals will be developed (including the approach developed/deployed under the new DNO price controls and lessons learnt);



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- sets out the basic elements and issues for the price control (capex & opex, depreciation/return and tax), and the RPI-X model and various refinements (including incentives); and
- ends with the objectives for the review (protecting the interests of customers, to promote social and environmental objectives, to reward focused and timely investment, and to allocate risk appropriately, and notes its objectives for the review to be undertaken as being transparent, inclusive and for Ofgem's team to be accessible).

Chapter 5 reviews the issues to be faced in assessing costs and, for both capex and opex, identifies the assessment approaches and a number of specific issues that affect uncertainties in future costs. It also notes the intention to develop a cost reporting framework – suggesting that a similar approach to that developed under the DNO price control appears to be appropriate.

Chapter 6 is a separate chapter on Incentives with a focus on what transmission companies should be obliged to provide in return for their revenue allowances – with reference to the approach to the definition of baseline and incremental capacity and incentives for delivering incremental outputs. Incentives for delivering incremental capacity are seen as important for both gas and electricity transmission because of the potential for large shifts in the patterns of electricity production and gas flows. Two approaches are suggested: re-openers and the use of revenue drivers. Both are seen as appropriate in some circumstances.

Chapter 7 looks at financial issues.

Ofgem is planning to issue further consultation documents in December 2005 (which it is hoped will include an initial draft of the Regulatory Impact Assessment), May/June 2006 and September 2006 with final proposals to be published in November/December 2006. A consultation document may also be published in March 2006, “depending on progress”. The consultation also indicates that Ofgem will hold workshops and may also issue a number of ‘mini-consultations’ on specific areas or issues. Comments on this consultation are invited by **9 September**.

The consultation can be found at:  
[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11942\\_17205.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11942_17205.pdf)

### **The extension of NGC's transmission owner price control for 2006/07**

#### **Technical evaluation of proposed capital expenditure program for NGC's 2006/07 Price Control Extension**

On 26 July, Ofgem published a report of a review by PB Power on NGC's capital expenditure. The Executive summary includes, amongst other things, details of NGT's forecasts for the Final Year of the Present Price Control (2005/06) of £465, and for the extension to the present Price Control (2006/07) of £614. These represent an increase of 26% and 67% respectively when compared to the actual annual average expenditure known for the 5 years 2000/01 to 2004/05. The PB Power report states that, for the final year of the present price control and the extension to the present price control, a spend of £392m in 2005/06 and £521m in 2006/07 is considered more appropriate.

A cover note to the report can be found at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11960\\_17705.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11960_17705.pdf)

& the report at:

[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11961\\_pbpower.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/11961_pbpower.pdf)

### **Government Bodies & Other Bodies**

#### **DTI**

#### **Appeals against Ofgem Code Modification decisions**

##### **Response to consultation on the draft order**

On 24 June, DTI published its response to the consultation comments on the order that gives effect to the Code Modifications Appeals provision in the Energy Act.

The main changes from the draft order appear to be:

- the inclusion within the scope of the appeals provisions of the Uniform Network Code and the short-form network codes;
- the inclusion within the scope of the appeals provisions of decisions subject to Ofgem's approval within the MRA (Master Registration Agreement) and the SPAA (Supply Point Administration Agreement) (other than where Ofgem is endorsing a MEC (MRA Executive Committee) approved change procedure and for SPPA Change Proposals);



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- more detail has been included to tighten the grounds in which Ofgem may exclude a decision from the appeals process because of short term security of supply concerns;
- there is a new obligation on Ofgem to publish a notice giving its reasons where it excludes a decision from the appeals process for security of supply reasons;
- the order has been modified to ensure that only Authority decisions that align with a *majority* decision of the BSC Panel are excluded from the right of appeal (hung panel decisions will be appealable);
- Authority decisions that disagree with the recommendations of CUSC Panel members will be excluded from the appeals process but a filter based on percentage of consultees' responses to CUSC amendments has been dropped; and
- filters that prevent decisions being appealed under the Uniform Network Code and short-form network codes have been introduced that mirror those for the BSC and BSC Panel recommendations.

The response, which includes a copy of the revised order, can be found at:

[http://www.dti.gov.uk/energy/consultations/pdfs/appeals\\_order\\_response.pdf](http://www.dti.gov.uk/energy/consultations/pdfs/appeals_order_response.pdf)

& the final regulatory impact assessment at:

[http://www.dti.gov.uk/energy/publications/appeals\\_final\\_ria.pdf](http://www.dti.gov.uk/energy/publications/appeals_final_ria.pdf)

### **First Annual Report to Parliament on the Security of Gas and Electricity Supply in Great Britain by the Secretary of State for Trade and Industry**

On 21 July, the Secretary of State for Trade and Industry published his first annual report to Parliament on the security of gas and electricity supply in Great Britain as required under the Energy Act. The factual material within the report is drawn primarily from NGT's consultation on winter 2005-06 (published 31 May) and includes a review of 2004/05 as well as looking forward over the short (this winter) and long (7-10 years) term.

The main conclusions (echoing the NGT consultation) include:

- an expectation of a tighter supply demand balance for gas for winter 2005/06;
- that electricity demand this winter can be met even in a number of severe weather scenarios provided there isn't a high level of plant break down and non-power gas demand response is sufficient to allow gas generation plant to run;

- the longer term supply/demand balance for gas should be sufficient because of investments to support imports, storage and LNG;
- the discussion on the longer term electricity supply/demand balance refers mainly to the factors that affect it, but the introduction suggests HMG expect new plant to be constructed as the margin tightens;
- under discussion of network reliability there is a brief advert for the new NGT electricity transmission system reliability incentive and a brief recap of interruptions on all the gas and electricity networks over the previous financial year; and
- looking ahead the report concludes that network operators face appropriate incentives to ensure that "available electricity and gas supplies can be delivered in an efficient manner".

The report also notes the importance of the Joint Energy Security of Supply Group (JESS which, as at 31 July, has not published its normal six monthly report) and indicates that there is to be a JESS "stakeholders' event" in Autumn to consider how JESS reporting should complement the SoS's report.

The report can be found at:

[http://www.dti.gov.uk/energy/publications/policy/sec\\_supply\\_first\\_report.pdf](http://www.dti.gov.uk/energy/publications/policy/sec_supply_first_report.pdf)

### **Creating a low carbon economy Government's second report on the implementation of the Energy White Paper**

Also on 21 July DTI/DEFRA published the Government's second report on the implementation of the Energy White Paper together with the:

- **Fuel Poverty Annual report**  
([http://www.dti.gov.uk/energy/consumers/fuel\\_poverty/fuel\\_strategy.shtml](http://www.dti.gov.uk/energy/consumers/fuel_poverty/fuel_strategy.shtml));
- **Energy Indicators**  
([http://www.dti.gov.uk/energy/inform/energy\\_indicators/index.shtml](http://www.dti.gov.uk/energy/inform/energy_indicators/index.shtml)); and
- **Joint Working Group on Energy and the Environment: Progress on the development of indicators – July 2005** - an update on the progress of the JWGEE on its work on the development of indicators for carbon emissions, final energy consumption, energy efficiency, and energy service demand for the household, industry, services and transport sectors ([http://www.dti.gov.uk/energy/environment/jwgee/ewp\\_2nd\\_annual\\_jwgee\\_report.pdf](http://www.dti.gov.uk/energy/environment/jwgee/ewp_2nd_annual_jwgee_report.pdf)).



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By way of an introduction, the report details “significant achievements” over the previous 12 months which includes, amongst many other things, implementation of the Kyoto protocol, making climate change a key priority during the UK’s G8 presidency, commencement of the EU ETS, establishing the Nuclear Decommission Authority, and BETTA. Looking forward, key developments in 2005-06 are identified as:

- follow up from G8;
- the UK’s EU presidency;
- the Climate Change Programme Review and review of the Scottish Climate Change Programme (both due to be published by the end of 2005);
- the review of the Renewables Obligation;
- the development of the Microgeneration Strategy;
- development of arrangements for Phase II of the EU ETS (see below);
- the on-going consultation by the National Assembly for Wales on a route map to a clean, low carbon and more competitive energy future for Wales (responses due **12 September**); and
- Phase 2 of the Energy Efficiency Commitment.

Other issues dealt with in the review include:

- **reducing carbon emissions:**
  - confirmation that we are on track to meet the Kyoto commitment but that more needs to be done to meet national CO<sub>2</sub> goals;
  - **a statement that Government will be making an application to expedite its legal challenge over the final level of the cap in the National Allocation Plan and a hope that judgment will be received within the first half of 2006;**
  - the various measures taken, or being taken, to increase renewables capacity (including the RO review and PPS1/2) and other measures to reduce carbon emissions (including the aim of including aviation within the EU ETS as soon as possible);
- **Energy Reliability:**
  - reference to the work of JESS and the new SoS report on security of supply (see above) and the international dimension of energy provision;
  - a statement of support for market delivery of infrastructure and a brief reference to a number of infrastructure developments;

### ▪ **Competitive Energy Markets:**

- Government belief in the benefits of independent economic regulation;
- the competitiveness of UK markets;
- the low electricity prices within the UK which, despite recent rises, remain competitive compared to other EU and G8 countries;
- a brief overview of funding for research and development;
- the promotion of competitive energy markets to promote security of supply and tackle climate change as a key energy priority for the UK’s EU presidency;

### ▪ **Tackling Fuel Poverty:**

- detailed reporting within the report on Fuel Poverty; and

### ▪ **Additional reporting following the Energy Act 2004:**

- a table that summarises the actions taken to develop or deploy various energy/source technologies specified within the Act;
- a brief report on actions to support scientific and engineering skills for the energy sector that refers to Cogent (launched in March 2004); and
- to support the commitment to keeping the nuclear option, funding of £6m for UK R&D projects in support of nuclear fission, £5m in support of international research on advanced fission systems, and £16m pa from Research Councils for fusion.

The report can be found at:

<http://www.dti.gov.uk/energy/sepn/secondannualreport.pdf>

### **Regulation of offshore electricity transmission**

On 27 July, Ofgem and DTI issued a joint consultation on the approach to regulation of offshore electricity transmission. Comments are requested by **19 October**.

The consultation provides a fairly comprehensive description of the background to the statutory and regulatory framework under which offshore transmission licences would be granted, including the implications of the various relevant European Directives. It also reviews the various aspects of Government policy that drive the need for the development of offshore electricity transmission

(essentially the need for a contribution from offshore wind to meet Government targets for renewables and carbon reduction) and the background to the R1 and R2 offshore projects (Round One and Round Two leases for the development of offshore wind generating stations).

As further background to the development of policy for regulating offshore transmission, the consultation gives background (and seeks views on) the possible economics of offshore wind generation. The analysis includes an estimate of the costs of offshore transmission (in addition to Offshore transmission costs, onshore network use of system entry costs and BSUoS would also be payable), capital and operating costs for offshore turbines, and the potential value of the output (suggested to lie in the range £60/MWh and £85/MWh including the value of ROCs). Drawing up the rear of the reasons given for why suppliers' terms for long term contracts with offshore generators may not reflect market prices is "the possible exercise of market power".

The consultation suggests two possible approaches to the regulation of offshore transmission:

- licensed price control – where annual charges are levied to recover efficient investment costs – (on a cost reflective basis but the advantages of cross-subsidies in promoting renewable investment are flagged); and
- licensed merchant where costs/charges are driven by market conditions but would lead to offshore developers meeting the upfront capital costs.

The paper indicates that Ofgem's current thinking is that, unless this consultation raises significant information, the same broad principles should be adopted offshore as onshore.

A third option, of unlicensed merchant offshore transmission, is dismissed as being incompatible with the requirements of the IMED (EU Directive 2003/54/EC Concerning Common Rules for the Internal Market in Electricity) for regulated third party access.

The consultation also floats the idea of adopting a tender process for the allocation of TO licenses and suggests that the case for this is strongest under a price controlled approach but that it also raises a number of additional difficulties that could delay investment in offshore wind generation.

The consultation gives an outline timetable for the development of arrangements for regulation of offshore transmission as being:

- October 19 2005 – deadline for responses to this document;
- December 2005 – decision published on the broad approach to the regulation of offshore electricity transmission;
- End 2006 – standard licence conditions finalised; and
- End 2007 – any remaining issues such as establishing possible price control arrangements and changing industry codes and other arrangements finalised.

Annex Two is a paper by NGT on **Illustrative Transmission Charges for Offshore Networks**.

The consultation can be found at: [http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11963\\_17805.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11963_17805.pdf)

#### **Adjusting transmission charges for renewable generators in the North of Scotland**

In March 2005, following a review by consultants, Government announced that there was strong evidence to support implementation of a scheme in Shetland, Orkney, and the Western Isles. However, the evidence suggested that a scheme would not be necessary on the mainland of the North of Scotland as the subsidy would merely increase profitability for these generators and not have a significant impact on the amount of renewable generation). In the light of these findings Government announced that it:

- would implement a scheme for these Islands; and
- consult on whether to implement a scheme in the North of Scotland.

On 27 July, DTI launched the consultation on the scope and nature of the scheme. The consultation summarises and seeks views on the findings of a study into the impact of transmission charges on renewable generators in the North of Scotland and sets out and seeks views on DTI proposals in the light of those findings. Responses are requested by **19 October**. The Governments' response to the consultation will be published within three months of this date, and there will be a further consultation on the requisite licence changes. Parliamentary debate will also be required before the proposals can be implemented; the target date for implementation is 1 April 2006.

The key elements of the Scheme proposed by Government are:



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- it would come into effect on 1 April 2006 and could run until 2014 subject to a new order being made under the Energy Act powers after 5 years. Further primary legislation would be required to extend it beyond that date;
- the scheme would only apply in Shetland, Orkney, and the Western Isles;
- as the islands are not yet connected to the transmission system, and given the timeframe for the necessary infrastructure to be put in place, it is not anticipated that the scheme would provide support until the turn of the decade;
- NGC would recover the cost, estimated to be in the range £11m - £13m pa between 2010 and 2014, from suppliers (the increase in the cost to domestic consumers is estimated to be ~40p per annum); and
- to counter the potential to create a perverse incentive to locate on the islands in preference to other locations, the scheme should dampen, rather than remove, the cost reflective differentials and it is suggested that the adjustment to the transmission charges should be specified as a percentage reduction above a specified level (a 50% reduction in charges is suggested with the level set to either £25/kW or the highest charge on the mainland).

The document refers to an NGT analysis of indicative transmission charges in the Scottish Islands if connected to the transmission network (**Illustrative Transmission Charges for Scottish Islands**) and a consultant's report on the impact of charges on renewable generators in the North of Scotland (**Impact of GB Transmission Charging on Renewable Electricity Generation**). These were published too late to be included in the summary but can be found at:

[http://www.dti.gov.uk/energy/consultations/island\\_charges.pdf](http://www.dti.gov.uk/energy/consultations/island_charges.pdf) and  
[http://www.dti.gov.uk/energy/consultations/seef\\_report.pdf](http://www.dti.gov.uk/energy/consultations/seef_report.pdf)

The document can be found at:  
[http://www.dti.gov.uk/energy/consultations/s\\_185\\_consultation.pdf](http://www.dti.gov.uk/energy/consultations/s_185_consultation.pdf)

### 2005 Digest of UK Energy Statistics

On 28 July, DTI announced the publication of the 2005 Digest of United Kingdom Energy, which includes "UK Energy in Brief" (which summarizes the latest energy statistics in 29 Charts) and the 2004 "Energy Flowchart" (which illustrates the flow of fuels from production or import to eventual final use). DTI also published Energy Consumption in the United Kingdom, which gives data on consumption for 2004.

The Digest can be found at:

<http://www.dti.gov.uk/energy/inform/dukes/>.

& Energy Consumption Data at: available on the Internet at

[http://www.dti.gov.uk/energy/inform/energy\\_consumption/](http://www.dti.gov.uk/energy/inform/energy_consumption/).

### Consultation on the use of net and gross calorific values for calculating energy balances

On 31 July, the DTI issued a consultation to seeking the views of users of energy statistics on proposals to use Net Calorific Values (NCVs) as opposed to Gross Calorific Values (GCVs) when calculating the energy content of fuels. Views are invited by 31 October.

The consultation can be found at:

[http://www.dti.gov.uk/energy/consultations/net\\_gross\\_cv.pdf](http://www.dti.gov.uk/energy/consultations/net_gross_cv.pdf)

### Competition Commission

#### The Energy Code Modification Rules and Guide to Appeals in Energy Code Modification Cases

On 11 July the Competition Commission published its response to its consultation on the draft rules and guidance for energy code modification appeals and the rules and guide to appeals.

The CC has made a number of what it describes as clarificatory amendments in the light of comments received but also notes that in some of the matters raised it is bound by statutory requirements and/or that the matters are for the DTI not the CC to determine. The CC also notes and welcomes Ofgem's suggestion that Ofgem might publish future Code decisions on its website and make that the date of decision for appeals purposes.

The right of appeal came into effect on 14 July.

The response to the consultation can be found at:  
[http://www.competition-commission.org.uk/rep\\_pub/consultations/past/index.htm](http://www.competition-commission.org.uk/rep_pub/consultations/past/index.htm)

The new energy code modification rules can be found at:

[http://www.competition-commission.org.uk/rep\\_pub/rules\\_and\\_guide/pdf/cc10\\_energy\\_code\\_mod\\_rules.pdf](http://www.competition-commission.org.uk/rep_pub/rules_and_guide/pdf/cc10_energy_code_mod_rules.pdf) & the guide to appeals in energy code modification cases at:  
[http://www.competition-commission.org.uk/rep\\_pub/rules\\_and\\_guide/pdf/cc11\\_appeals\\_in\\_energy\\_code\\_mod\\_cases.pdf](http://www.competition-commission.org.uk/rep_pub/rules_and_guide/pdf/cc11_appeals_in_energy_code_mod_cases.pdf)



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### Trade and Industry Committee

#### New Membership of the Committee

The new membership of the Trade and Industry Committee, announced on 14 July, is:  
 Peter Luff MP (Conservative, Mid Worcestershire)  
 Roger Berry MP (Labour, Kingswood)  
 Mr Peter Bone MP (Conservative, Wellingborough)  
 Mr Michael Clapham MP (Labour, Barnsley West and Penistone)  
 Mrs Claire Curtis-Thomas MP (Labour, Crosby)  
 Mr Lindsay Hoyle MP (Labour, Chorley)  
 Miss Julie Kirkbride MP (Conservative, Bromsgrove)  
 Judy Mallaber MP (Labour, Amber Valley)  
 Rob Marris MP (Labour, Wolverhampton South West)  
 Mrs Maria Miller MP (Conservative, Basingstoke)  
 Anne Moffat MP (Labour, East Lothian)  
 Sir Robert Smith MP (Liberal Democrat, West Aberdeenshire and Kincardine)  
 Mr Mike Weir MP (Scottish National Party, Angus)  
 Mr Anthony Wright MP (Labour, Great Yarmouth)  
 The committee has elected **Peter Luff** as Chairman.

The press release can be found at:

[http://www.parliament.uk/parliamentary\\_committees/trade\\_and\\_industry/tisc\\_pn01\\_0506.cfm](http://www.parliament.uk/parliamentary_committees/trade_and_industry/tisc_pn01_0506.cfm)

### House of Lords

#### Select Committee on Economic Affairs

#### The Economics of Climate Change

On 6 July, the House of Lords Select Committee on Economic Affairs published its report on the economics of climate change. The committee, amongst other things, calls for greater involvement of the Treasury in examining the costs and benefits of climate change policy, expresses concern that UK energy and climate policy “appears to be based on dubious assumptions about the roles of renewable energy and energy efficiency”, and considers that current nuclear power capacity should be retained.

The report can be found at:

<http://www.publications.parliament.uk/pa/ld200506/ldselect/ldeconaf/12/12i.pdf>

#### EU Emissions Trading Scheme

On 19 July, DEFRA issued a two part consultation on Phase II of the EU ETS. Comments are invited on Part A by **13 September**, and on Part B by **27 September**.

The main changes between Phase 1 and Phase II are identified as being:

- no temporary exclusions;
- Member States can opt to include other greenhouse gases in addition to CO<sub>2</sub>;
- Member States will be able to use Joint Implementation (JI) credits;
- the increase in the penalty for insufficient allowances from €40 to €100 per tonne; and
- linkage to Kyoto currency AAUs (Assigned Amount Units).

The consultation also indicates that whilst a number of areas where Member States, including UK, have lobbied for changes to the Directive, and the Commission is reviewing the Directive in 2006, the Commission has indicated that it will not be changed in time for Phase II. Areas that may subsequently be subject to change include the scope of the scheme for both sectors (which could include aviation) and gasses.

As part of the introduction/background section, the consultation also:

- argues in favour of the allocation of allowances via auctioning as an objective for the future and notes UK’s commitment to seeking to persuade other Member States about this;
- notes that the Phase II cap will be considered in the light of the revised Climate Change Programme (CCP - due to be published by the end of the year); and
- notes that updated energy projections will be published with the revised CCP.

The Part A consultation covers:

- **project credits and the inclusion of JI** - referring to the consultation on implementation of the Linking Directive (deadline for comments **19 August**) and seeking views on how the required limit on the use of JI credits (credits from projects within Annex I countries) and CDM credits (Clean Development Mechanism – credits from projects in developing countries) should be set;
- **auctioning** – noting support in principle for 100% auctioning and referring to the consultation on candidate methods, the consultation seeks views on the use and limits on auctioning under Phase II (a maximum of 10% is allowed), when and how often auctions should be held, and how important is it to harmonise the auctioning process across the EU;



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- **new entrants and closures** – noting that a decision has yet to be made on the inclusion of a new entrants and a closures regime for Phase 2, the consultation seeks views on whether these regimes should be included (and, if so, for what sectors), the allocation to New Entrants, the importance of harmonisation across the EU, and various other issues; and
- **small installations** – views on how to reduce the costs of compliance for small installations given that it will not be possible to amend the Directive in time for Phase II, operators are also invited to provide a breakdown of their costs in relation to their allocations.

The Part B consultation covers two main areas:

- **potential expansion options**

For CO<sub>2</sub>, the consultation notes the review/assessment of potential candidate sectors for expansion on the DEFRA website and notes the sectors it is considering for inclusion and seeks views on these.

For expansion to include non-CO<sub>2</sub> gases, the consultation notes the review on this on the DEFRA website and sets out the HMG criteria for inclusion. It concludes that, in most cases, costs and complexities of inclusion outweigh the environmental benefits and seeks views on its proposal that there should be no expansion of non-CO<sub>2</sub> for Phase II.

- **the allocation methodology**

The consultation indicates that HMG again favour the use of a two-stage allocation methodology (divide the national cap between Sectors and then between installations) and seeks views on this proposal, whether the sectoral approach should be the same for Phase 1, how installations should be classified into sectors, how the sector caps should be determined, the options for the treatment of CHP and whether harmonisation across the EU is important, and the allocation methodology for installations.

The consultation also raises the prospect of the use of benchmarking as a mechanism for allocating allowances within a sector but suggests that, for Phase II, it is only appropriate for the generation sector (and Good Quality CHP, within a separate sector, if this is thought appropriate). A number of factors are identified as being relevant when establishing benchmarks for these sectors and views are sought on the suggested approach.

The key milestones set out in the paper are:

**March 2005** – The Government publishes an informal communication, outlining the general approach to EU ETS Phase II.

**July to September 2005** – The Government publishes a formal consultation (in two parts) seeking stakeholder views on a range of Phase II issues.

**Autumn 2005** – Collection and compilation of data.

**By end of 2005** - The revised Climate Change Programme will be published.

**December 2005/January 2006** – Based on the Directive timetable, a draft NAP for Phase II should be available around the turn of the year.

**June 2006** – The date by which the NAP must be submitted to the European Commission (Article 9(3)).

**December 2006** – The date by which a decision on installation level allocations must be made (Article 11(2)).

In addition, the consultation indicates that the Commission is to issue new guidance in the final quarter of 2005 and that the Commission is currently reviewing the application of the Directive and will produce a report and, if appropriate, proposals by June 2006.

There is to be a discussion for the generation sector at the DTI Conference Centre on 24 August will run from 14.00 to 17.00.

The consultation, cover letter, partial regulatory impact assessment and response proformas, etc, can be accessed from

<http://www.defra.gov.uk/corporate/consult/euets-phasetwo/index.htm>

**New Entrant Reserve (NER) for Phase 1 of the EU ETS (2005- 2007) – Q&A**

On 29 July, DEFRA published a Q&A on the operation of the New Entrant Reserve under Phase I of the EURTS. The Q& A can be found at: [http://www.dti.gov.uk/energy/sepn/new\\_entrant\\_q\\_and\\_a.pdf](http://www.dti.gov.uk/energy/sepn/new_entrant_q_and_a.pdf)

**UK Emissions Trading Scheme**

**Industry Beats CO<sub>2</sub> Reduction Targets**

On 21 July, DEFRA issued a press release announcing that, last year, major manufacturers and companies who are big users of energy reduced their 2004 emissions of CO<sub>2</sub> by 8.9 million tonnes more than the minimum signed up to under Climate Change Agreements (CCAs).



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The press release can be found at <http://www.defra.gov.uk/news/2005/050721b.htm> and a sector-by-sector summary of Climate Change Agreements (CCAs) including actual performance at: <http://www.defra.gov.uk/news/2005/050721b-annex1.pdf>

### The Environmental Audit Commission

#### New Environmental Audit Committee Set Up

The House of Commons has appointed the following members to the Environmental Audit Committee:

Mr Peter Ainsworth MP (Conservative, East Surrey)  
 Ms Celia Barlow MP (Labour, Hove)  
 Mr Martin Caton MP (Labour, Gower)  
 Colin Challen MP (Labour, Morley and Rothwell)  
 Mr David Chaytor MP (Labour, Bury North)  
 Mr Tobias Ellwood MP (Conservative, Bournemouth East)  
 Lynne Featherstone MP (Liberal Democrat, Hornsey and Wood Green)  
 David Howarth MP (Liberal Democrat, Cambridge)  
 Mr Nick Hurd MP (Conservative, Ruislip Northwood)  
 David Lepper MP (Labour/Co-op, Brighton Pavillion)  
 Mark Pritchard MP (Conservative, The Wrekin)  
 Ms Emily Thornberry MP (Labour, Islington South and Finsbury)  
 Dr Desmond Turner (Labour, Brighton Kemptown)  
 Mrs Theresa Villiers (Conservative, Chipping Barnet)  
 Joan Walley (Labour, Stoke-on-Trent)

The Committee elected **Mr Peter Ainsworth MP** to serve as Chairman.

The announcement can be found at: [http://www.parliament.uk/parliamentary\\_committees/environmental\\_audit\\_committee/eac\\_14\\_07\\_05.cfm](http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac_14_07_05.cfm)

#### Keeping the Lights on: Nuclear, Renewables, and Climate Change

On 21 July, the EAC announced the launch of an inquiry to examine the options for future electricity generation, including nuclear, renewables and microgeneration. The announcement indicated that the inquiry will focus on the relative costs of different technologies and the contributions they can make, the scale of the investment required, and the extent to which such investment would help achieve Government objectives of promoting a step-change in energy efficiency and the deployment of renewables.

It will also examine the role these different technologies might play in reducing carbon emissions and contributing to security of supply.

The announcement includes a number of specific issues where the committee would welcome views and invites written submissions on these and other matters relevant to the inquiry by **21 September**.

The announcement can be found at: [http://www.parliament.uk/parliamentary\\_committees/environmental\\_audit\\_committee/eac\\_21\\_07\\_05b.cfm](http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac_21_07_05b.cfm)

### NFPA

#### Auction of Renewable Obligation Certificates by NFPAS – Results

On 20 July, the NFPA issued a press release on the results of the auction of Renewable Obligation Certificates (ROCs) from generating stations holding SRO contracts (Scottish Renewables Obligation). The Press release states that over 197,000 ROCs were purchased at an average price of £45.73; which compares with £46.07 for the 180,000 ROCs sold in April.

The press release can be under the press release section of the NFPA's website: <http://www.nfpa.co.uk>

### GB SO Reports and Consultations

#### Assistance for Areas with High Electricity Distribution Costs Scheme (AAHEDCS) charging statement

On 15 July, NGT published its charging statement for the collection of charges from suppliers to offset high distribution costs in the North of Scotland (the scheme replacing the Hydro Benefit). The charging methodology can be found at: [http://www.nationalgrid.com/uk/indinfo/charging/aa\\_hedc.html](http://www.nationalgrid.com/uk/indinfo/charging/aa_hedc.html)

#### Draft Modification Proposal to the GB Connection Charging Methodology GB ECM 01 One-off Charges for System to Generator Intertripping Schemes

On 15 July, NGT issued a consultation on changes to the charging methodology to set out the one-off charges that apply for the installation of different categories of generator intertrip scheme following



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approval of CAP076 (Treatment of System to Generator Intertrips). Not all intertrip schemes will attract a charge – the cost of those that provide NGC system benefits will be recovered via use of system charges. Comments are requested by **12 August**, the proposed implementation date is 1 November.

The consultation can be found at: [www.nationalgrid.com/uk/indinfo/charging/mn\\_modifications.html](http://www.nationalgrid.com/uk/indinfo/charging/mn_modifications.html)

### The BSC and CUSC

#### BSC New Modifications

On 25 July, RWE npower raised **P191** (Revised definition of Balancing Mechanism Unit to include Power Park Module). The modification proposes to extend the definition of a single BM Unit to include Power Park Modules and to introduce a definition of a Power Park Module which refers to the definition in the Grid Code (essentially a wind farm or other collection of intermittent generators linked via a system to a single connection to a transmission or distribution system).

On 27 July, National Grid Electricity Transmission Plc, raised Modification **P192** (Change of Name of the Transmission Company). The Modification seeks to change the name of the transmission company, in the BSC to “National Grid Electricity Transmission plc” following a motion passed by the AGM on 25 July to change the companies name from “National Grid Company plc” to “National Grid Electricity Transmission plc” which came into effect on 27 July.

#### Authority Decisions

On 26 July Ofgem, in line with the Panel’s recommendation, APPROVED Modification **P187** (Introducing the ability for a BSC Party to request urgent status and for it to be considered by the Authority). The change, which will come into effect on **9 August**, will mean that all requests for a modification to be treated as urgent will be submitted to the Authority for decision. It also introduces guidance on the basis for urgency.

#### BSC – joiners and leavers

**Teesside Energy Trading Limited** acceded to the BSC on 6 July.

**New SMRS Agent: Global Utility Connections Ltd** has been certified to supply a Supplier Meter Registration Service.

### BSC Miscellaneous

#### Restart of Supplier Charges Deferred

ELEXON announced that there will be a delay in Supplier Charges processing for the months after the implementation of P99 that was to have started in August 2005. ELEXON indicates that this is due to a series of operational issues and that it is not yet clear when these will be resolved. ELEXON has indicated that the data submission and PARMS Performance Reporting processes (including Peer Comparison) are not affected (see ELEXON Newscast Issue 52 for further information at: <http://www.elexon.co.uk/documents/Publications/Publications - Newscast/Issue 52 - 11 July 2005.pdf>).

#### Consultation on changing the value of Credit Assessment Price (CAP)

On 28 June, ELEXON issued a consultation on increasing the value of CAP from the current level of £23/MWh to £28/MWh (without reference to VAT). Comments were requested by **26 July**. The consultation, supporting graphs and response proforma can be found at: <http://www.elexon.co.uk/consultations/default.aspx>

#### ELEXON report and financial statements for 2004 – 2005

ELEXON report and financial statements for 2004 – 2005 have been published. These can be found at: <http://www.elexon.co.uk/documents/Publications/Corporate and Financial - ELEXON Limited Annual Report and Financial Statements/ELEXON Report and Financial Statements 2004-05.pdf>

### CUSC

#### CUSC Panel Elections October 2005 – September 2007

On 28 July, NGT issued voting papers for the election of CUSC Panel, and Alternate, Member positions. Nine nominations have been submitted for the positions of 7 Panel and 5 Alternate Members posts. The elections will determine which of the 9 nominees will be members. Nominees and sponsors are shown below.



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<b>Nominee:</b>	<b>Nominated by:</b>
Dick Cecil	Scottish Power Generation Ltd
Garth Graham	Southern Electricity Power Distribution plc
Malcolm Taylor	AES Indian Queens Power Ltd
Paul Jones	E.ON UK plc
Bob Brown	Conoco/ Phillips
Rupert Judson	London Energy plc
Simon Goldring	British Gas Trading
Simon Lord	First Hydro Company
Tony Diccico	RWE npower

Voting papers are to be returned to NGT by **5pm on Friday 26 August 2005.**

## **CUSC Amendment Proposals**

### **Authority Decisions**

On 15 July, the Authority APPROVED **CAP087** (Revisions to Request for Urgency Process) for implementation on **29 July**. The amendment will require the CUSC Panel Chairman to consult the Authority on all requests for an amendment to be treated as Urgent rather than just those the CUSC Panel (or the majority of those members the Chairman is able to contact) agree should be urgent.

### **IPA News....**

IPA's recent report 'An Analysis into a Proposal for an amendment to the Renewables Obligation Definition of Energy Crops' for the Scottish Executive has now been published on their web pages

<http://www.scotland.gov.uk/Topics/Business-Industry/infrastructure/19185/IPAEnergyCropsStudy>

### **DISCLAIMER**

IPA Energy cannot be held accountable for the accuracy of the information nor can IPA be held responsible for the consequences of any actions or decisions taken on the basis of the information published here. Parties must refer to the formal documents to confirm the official position.

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## Summary of 25 June – 31 July 2005 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
DTI	<p><b>Electricity Safety, Quality and Continuity (Amendment) Regulations 2005</b></p> <p>The consultation, draft guidance document, regulatory impact assessment and draft SI can be found at:  <a href="http://www.dti.gov.uk/energy/consultations/">http://www.dti.gov.uk/energy/consultations/</a></p>	7 June	2 September
DEFRA	<p><b>Consultation on the draft Regulations for transposing the Linking Directive</b></p> <p>The consultation and associated documents can be found:  <a href="http://www.defra.gov.uk/corporate/consult/euets-linkingdir/index.htm">http://www.defra.gov.uk/corporate/consult/euets-linkingdir/index.htm</a></p>	10 June	19 August
DTI	<p><b>Microgeneration Strategy and Low Carbon Buildings Programme</b></p> <p>DTI The consultation can be found at:  <a href="http://www.dti.gov.uk/energy/consultations/microgen.pdf">http://www.dti.gov.uk/energy/consultations/microgen.pdf</a></p>	23 June	23 September
<b>NEW</b>			
DTI	<p><b>Appeals against Ofgem Code Modification decisions Response to consultation on the draft order</b></p> <p>The response, which includes a copy of the revised order, can be found at:  <a href="http://www.dti.gov.uk/energy/consultations/pdfs/appeals_order_response.pdf">http://www.dti.gov.uk/energy/consultations/pdfs/appeals_order_response.pdf</a>            The final regulatory impact assessment at:  <a href="http://www.dti.gov.uk/energy/publications/appeals_final_ria.pdf">http://www.dti.gov.uk/energy/publications/appeals_final_ria.pdf</a></p>	24 June	
ELEXON	<p><b>Consultation on changing the value of Credit Assessment Price (CAP)</b></p> <p>The consultation, supporting graphs and response proforma can be found at:  <a href="http://www.elexon.co.uk/consultations/default.aspx">http://www.elexon.co.uk/consultations/default.aspx</a></p>	28 June	26 July
Ofgem	<p><b>Notice under paragraph 2 of schedule 6A of the Competition Act 1998 of the Gas and Electricity Authority's proposal to accept commitments pursuant to section 31A(2) of the Competition Act 1998</b></p> <p>The notice can be found at:  <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11762">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11762</a></p>	27 June	22 July

	<a href="#">_15205.pdf</a>		
<b>Ofgem</b>	<b>Social Action Strategy</b>  The strategy can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11775_15505a.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11775_15505a.pdf</a> & the accompanying press release (“rising fuel prices threaten progress on tackling fuel poverty”), at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11772_r29_30june05.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11772_r29_30june05.pdf</a>	30 June	<b>1 September</b>
<b>Ofgem</b>	<b>Review of Suppliers’ Corporate Social Initiatives</b>  The review can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11774_15505b.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11774_15505b.pdf</a>	30 June	
<b>Ofgem</b>	<b>Ofgem’s draft guidelines for determining Disputes and Complaints arising under the European Directives 2003/54/EC and 2003/35/EC</b>  The draft guidelines can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11825_157052.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11825_157052.pdf</a>	30 June	
<b>Ofgem</b>	<b>The Energy Efficiency Commitment 2002 – 2005 Decision in relation to Ofgem’s open letter of 16 June 2005</b>  The decision can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11783_15805.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11783_15805.pdf</a>		
<b>Ofgem</b>	<b>Gas and Electricity Markets Authority minutes published for First Time</b>  The press release can be found at: <a href="http://www.ofgem.gov.uk/ofgem/work/template1.jsp?section=/homepage/stoppress&amp;id=11071">http://www.ofgem.gov.uk/ofgem/work/template1.jsp?section=/homepage/stoppress&amp;id=11071</a>  The reports can be found at: <a href="http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=/area/sofwork/aaauthority">http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=/area/sofwork/aaauthority</a>	5 July	
<b>Ofgem</b>	<b>Ofgem’s response to the Super-complaint on billing processes made by the Gas and Electricity Consumer Council</b>  The decision can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11828_16305.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11828_16305.pdf</a>	5 July	
<b>House of Lords Select Committee on Economic Affairs</b>	<b>The Economics of Climate Change</b>  The report can be found at: <a href="http://www.publications.parliament.uk/pa/ld200506/ldselect/ldeconaf/12/12i.pdf">http://www.publications.parliament.uk/pa/ld200506/ldselect/ldeconaf/12/12i.pdf</a>	6 July	
<b>Comp Com</b>	<b>The Energy Code Modification Rules and Guide to Appeals in Energy Code Modification Cases</b>  The right of appeal came into effect on 14 July.	11 July	<b>Effective 14 July</b>

	<p>The response to the consultation can be found at:  <a href="http://www.competition-commission.org.uk/rep_pub/consultations/past/index.htm">http://www.competition-commission.org.uk/rep_pub/consultations/past/index.htm</a></p> <p>The new energy code modification rules can be found at:  <a href="http://www.competition-commission.org.uk/rep_pub/rules_and_guide/pdf/cc10_energy_code_mod_rules.pdf">http://www.competition-commission.org.uk/rep_pub/rules_and_guide/pdf/cc10_energy_code_mod_rules.pdf</a>  &amp; the guide to appeals in energy code modification cases at:  <a href="http://www.competition-commission.org.uk/rep_pub/rules_and_guide/pdf/cc11_appeals_in_energy_code_mod_cases.pdf">http://www.competition-commission.org.uk/rep_pub/rules_and_guide/pdf/cc11_appeals_in_energy_code_mod_cases.pdf</a></p>		
<b>Ofgem</b>	<p><b>Refocusing Ofgem's Asset Risk Management (ARM) Activity</b></p> <p>The letter &amp; questionnaire can be found at:  <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11901_17005_ofgem.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11901_17005_ofgem.pdf</a></p>	14 July	<b>31 August</b>
<b>NGT</b>	<p><b>Assistance for Areas with High Electricity Distribution Costs Scheme (AAHEDCS) charging statement</b></p> <p>The charging methodology can be found at:  <a href="http://www.nationalgrid.com/uk/indinfo/charging/aahedc.html">http://www.nationalgrid.com/uk/indinfo/charging/aahedc.html</a></p>	15 July	
<b>NGT</b>	<p><b>Draft Modification Proposal to the GB Connection Charging Methodology GB ECM 01</b>  <b>One-off Charges for System to Generator Intertripping Schemes</b></p> <p>The consultation can be found at:  <a href="http://www.nationalgrid.com/uk/indinfo/charging/mn_modifications.html">www.nationalgrid.com/uk/indinfo/charging/mn_modifications.html</a></p>	15 July	<b>12 August</b>
<b>DEFRA</b>	<p><b>EU Emissions Trading Scheme – Phase II</b></p> <p><a href="http://www.defra.gov.uk/corporate/consult/euets-phasetwo/index.htm">http://www.defra.gov.uk/corporate/consult/euets-phasetwo/index.htm</a></p>	19 July	Part A by <b>13 September</b> , Part B by <b>27 September</b>
<b>EAC</b>	<p><b>New Inquiry</b>  <b>Keeping the Lights on: Nuclear, Renewables, and Climate Change</b></p> <p>The announcement of the new inquiry can be found at:  <a href="http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac_21_07_05b.cfm">http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac_21_07_05b.cfm</a></p>	21 July	<b>21 September</b> for written submissions
<b>DTI</b>	<p><b>First Annual Report to Parliament on the Security of Gas and Electricity Supply in Great Britain by the Secretary of State for Trade and Industry</b></p> <p>The report can be found at:  <a href="http://www.dti.gov.uk/energy/publications/policy/sec_supply_first_report.pdf">http://www.dti.gov.uk/energy/publications/policy/sec_supply_first_report.pdf</a></p>	21 July	
<b>DTI</b>	<p><b>Creating a low carbon economy</b>  <b>Government's second report on the implementation of the Energy White Paper</b></p> <p>The report can be found at:</p>	21 July	

	<p><a href="http://www.dti.gov.uk/energy/sepn/secondannualreport.pdf">http://www.dti.gov.uk/energy/sepn/secondannualreport.pdf</a></p> <p><b>Fuel Poverty Annual report</b> (<a href="http://www.dti.gov.uk/energy/consumers/fuel_poverty/fuel_strategy.shtml">http://www.dti.gov.uk/energy/consumers/fuel_poverty/fuel_strategy.shtml</a>)</p> <p><b>Energy Indicators</b> (<a href="http://www.dti.gov.uk/energy/inform/energy_indicators/index.shtml">http://www.dti.gov.uk/energy/inform/energy_indicators/index.shtml</a>).</p> <p><b>Joint Working Group on Energy and the Environment: Progress on the development of indicators</b> <a href="http://www.dti.gov.uk/energy/environment/jwgee/ewp_2nd_annual_jwgee_report.pdf">http://www.dti.gov.uk/energy/environment/jwgee/ewp_2nd_annual_jwgee_report.pdf</a>;</p>		
Ofgem	<p><b>Open Letter on Extending National Grid Company's Transmission Owner Price Control for 2006/07</b></p> <p>The open letter can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11959_17105.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11959_17105.pdf</a></p>	22 July	19 August
Ofgem	<p><b>Transmission price control review Initial consultation</b></p> <p>The consultation can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11942_17205.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11942_17205.pdf</a></p>	22 July	9 September
Ofgem	<p><b>Assessment of the Electricity Distribution Price Control Review Process Conclusions</b></p> <p>The review can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11955_17505.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11955_17505.pdf</a></p>	26 July	
Ofgem	<p><b>Regulation of Independent Electricity Distribution Network Operators</b></p> <p>The decision can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11958_17605.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11958_17605.pdf</a></p>	26 July	9 September
DTI/Ofgem	<p><b>Regulation of offshore electricity transmission</b></p> <p>The consultation can be found at: <a href="http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11963_17805.pdf">http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11963_17805.pdf</a></p>	27 July	19 October
DTI	<p><b>Adjusting transmission charges for renewable generators in the North of Scotland</b></p> <p>The document can be found at: <a href="http://www.dti.gov.uk/energy/consultations/s_185_consultation.pdf">http://www.dti.gov.uk/energy/consultations/s_185_consultation.pdf</a></p> <p><b>Illustrative Transmission Charges for Scottish Islands (by NGT)</b> <a href="http://www.dti.gov.uk/energy/consultations/island_charges.pdf">http://www.dti.gov.uk/energy/consultations/island_charges.pdf</a></p> <p><b>Impact of GB Transmission Charging on Renewable Electricity Generation</b></p>	27 July	19 October

	<a href="http://www.dti.gov.uk/energy/consultations/seef_report.pdf">http://www.dti.gov.uk/energy/consultations/seef_report.pdf</a>		
<b>DTI</b>	<b>2005 Digest of UK Energy Statistics &amp; Energy Consumption in the United Kingdom</b>  The Digest can be found at: <a href="http://www.dti.gov.uk/energy/inform/dukes/">http://www.dti.gov.uk/energy/inform/dukes/</a> . & Energy Consumption Data at: available on the Internet at <a href="http://www.dti.gov.uk/energy/inform/energy_consumption/">http://www.dti.gov.uk/energy/inform/energy_consumption/</a> .	28 July	
<b>DEFRA</b>	<b>New Entrant Reserve (NER) for Phase 1 of the EU ETS (2005- 2007) – Q&amp;A</b>  The Q& A can be found at: <a href="http://www.dti.gov.uk/energy/sepn/new_entrant_q_and_a.pdf">http://www.dti.gov.uk/energy/sepn/new_entrant_q_and_a.pdf</a>	29 July	
<b>DTI</b>	<b>Consultation on the use of net and gross calorific values for calculating energy balances</b>  The consultation can be found at: <a href="http://www.dti.gov.uk/energy/consultations/net_gross_cv.pdf">http://www.dti.gov.uk/energy/consultations/net_gross_cv.pdf</a>	31 July	<b>31 October</b>