

Workgroup 0373
- Governance of NTS connection processes -

Minutes

Thursday 05 May 2011

Elexon, 350 Euston Road, London NW1 3AW

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Pearce	(AP)	BP Gas
Charles Ruffell	(CR)	RWE npower
Chris Wright	(CW)	Centrica
Colin Thomson	(CT)	Scotia Gas Networks
Dora Ianora	(DI)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Jacopo Vignola	(JV)	Centrica Storage Ltd
Jeff Chandler	(JC)	SSE
Jill Brown	(JB)	RWE npower
Julie Cox	(JCx)	AEP
Lesley Ramsay	(LR)	National Grid NTS
Lewis Hodgart	(LH)	Ofgem
Mike Wassell	(MW)	National Grid NTS
Natasha Ranatunga	(NR)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Broom	(PB)	GDFSuez
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Sarsfield-Hall	(RSH)	Poyry Management Consulting
Rob Cameron-Higgs	(RCH)	Wales & West Utilities
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Steve Pownall	(SP)	National Grid NTS

1. Introduction

Copies of all papers are available at www.gasgovernance.co.uk/0373/050511.

TD welcomed attendees to the meeting.

2. Outline of Modification 0373 – Governance of NTS connection processes

The proposal had been brought to the Transmission Workgroup's attention last month and required no further explanation at this point.

3. Consider Terms of Reference

The Workgroup considered the Terms of Reference, which were accepted.

4. Discussion

RF and JV gave a progress update on related discussions between various parties (National Grid, Shippers, Gas Storage Operators Group, AEP) that had taken place.

JV indicated that the friendly approach of National Grid was appreciated by the Gas storage Operators Group. However, uncertainties remained and the Group was identifying their concerns regarding the steps in the process. Transparency was required in the early stages in order to facilitate the initiation of other processes. The administration burden on small parties was of concern as was the inability of a developer to trigger the capacity process. Key milestones were required in National Grid's timelines for assessing progress of physical connection and preventing/suspending the release of commercial capacity that is unlikely to be taken up by the storage developers. Other minor amendments had been identified which could also be integrated within the process.

SP indicated that National Grid had been looking at alignments and pointed out that some projects would progress at different rates. A lot more work must be done in advance than was the case previously, and processes required review. JCx pointed out that recognition of different types of projects with differing needs required acceptance, and National Grid might have to accommodate different requirements on occasion. A model/methodology was needed that could flexibly accommodate differing requirements.

The triggering of capacity by non-UNC parties was of concern to NTS; expansion of the systems to include others may cause problems.

NW observed that the modification was clear in its focus on entry/exit and that the physical connection process should run in parallel with the commercial side. Timetables should be clear, as should expectations on dates. He added that National Grid sub contract a lot of work, and this appears to add to the problems encountered; controls could be better.

JV reiterated that processes were mismatched and non-alignment caused many difficulties; the modification would facilitate the overarching process. JCx reiterated that transparency and timescales needed to be tied down more accurately within the application and the offer processes.

SP referred to the Ofgem RIIO process – this might put in key milestones and timings, and impact how alignment might be achieved. JCx suggested that if 0373 delivered what was required, then perhaps RIIO intervention would not be necessary. Referring to revenue drivers, RF believed that encouragement should be given to National Grid and Ofgem to conclude work on generic revenue drivers to help speed up the process (this was one of the areas holding up the connections process). LH confirmed that it was the intention to consult on a methodology this year.

RF reported that the AEP group had documented the various processes in building a CCGT from scratch, and had concluded that the processes relating to exit and entry do not match.

5. Diary Planning for Workgroup

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next Workgroup 0373 meeting will take place at 13:30 on Wednesday 18 May 2011 at the Association of Electricity Producers, Charles House, 5-11 Regent Street, London SW1 3AW.

The programme for the meeting was then discussed, and it was suggested that the following items might be explored:

- Connections Offer and Acceptance Processes
- Run through/demonstration of differences for offshore and CCGT connections
- Agree what the connections model is and what should be codified/guidance, and level of detail required
- Identify any required amendments to Connections Charging Methodology Statement
- Consider creation of a dedicated website area for standard forms, etc
- Two different types of connection – define types of application/timelines proposed
- Consider bundling the processes or separate application for gas storage
- Types of connection and costs and timescales
- Under what circumstances did National Grid need to undertake a feasibility study? Define nature, scope and reasons for performance
- Conceptual Design Studies (CDS) – need more transparency
- Shippers to think about what information is key at the outset in the Offer
- Minimum standard/expectation (capacity, pressure, location, ramp rates, etc)

The following actions were agreed as preparation for the next meeting:

On **all** Group Members:

Action WG0501: Consider and detail what specific information/data should be provided to the customer in a proposed connection offer.

On National Grid NTS:

Action WG0502: Define nature and purpose (ie what it is, why and when it is needed) of the current Feasibility Study, Conceptual Design Study, and any other physical connections-related reports (eg “pre-feasibility”).

Action WG0503: Provide an update on the current status of the proposed ‘generic revenue driver’ issue.

On the Proposer:

Action WG0504: Provide an overview of the current connection process from a generator perspective (circulate process summaries prior to meeting).

Action WG0505: Provide for discussion/development the potential categories of connection offer and associated timescales and costs.

On the Gas Storage Operator Group (GSOG) representative:

Action WG0506: Provide an overview of the current connection process from a gas storage perspective (circulate process summaries prior to meeting).

Action WG0507: Provide a view on the preferred approach to connection offers (including potential timescales and costs) for gas storage connections.

Action Log - Workgroup 0373

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
WG 0501	05/05/11	5	Consider and detail what specific information/data should be provided to the customer in a proposed connection offer.	ALL	
WG 0502	05/05/11	5	Define nature and purpose (ie what it is, why and when it is needed) of the current Feasibility Study, Conceptual Design Study, and any other physical connections-related reports (eg "pre-feasibility").	National Grid NTS (SP)	
WG 0503	05/05/11	5	Provide an update on the current status of the proposed 'generic revenue driver' issue.	National Grid NTS (SP)	
WG 0504	05/05/11	5	Provide an overview of the current connection process from a generator perspective (circulate process summaries prior to meeting).	E.ON (RF)	
WG 0505	05/05/11	5	Provide for discussion/development the potential categories of connection offer and associated timescales and costs.	E.ON (RF)	
WG 0506	05/05/11	5	Provide an overview of the current connection process from a gas storage perspective (circulate process summaries prior to meeting).	GSOG (JV)	
WG 0507	05/05/11	5	Provide a view on the preferred approach to connection offers (including potential timescales and costs) for gas storage connections.	GSOG (JV)	