

Workgroup 0373
Governance of NTS connection processes
Minutes
Thursday 07 July 2011
Elexon, 350 Euston Road, London NW1 3AW

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrew Fox	(AF)	National Grid NTS
Asma Jalal	(AJ)	Centrica
Charles Ruffell	(CR)	RWE npower
Chris Wright	(CW)	Centrica
Dave Adlam	(DA)	National Grid Distribution
Dave Corby	(DC)	National Grid NTS
Derek Jamieson	(DJ)	ESBI
Dora Ianora	(DI)	Ofgem
Elizabeth Ng	(EN)	E.ON UK
Jacopo Vignola	(JV)	Centrica Storage
Jill Brown	(JB)	RWE npower
Julie Cox	(JCx)	AEP
Lewis Hodgart	(LH)	Ofgem
Malcolm Arthur	(MA)	National Grid NTS
Mike Thorne	(MT)	National Grid NTS
Mike Wassell	(MW)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Paul Mott	(PM)	EDF Energy
Richard Fairholme	(RF)	E.ON UK
Rob Cameron-Higgs	(RCH)	Wales & West Utilities
Steve Howells	(SH)	Scotia Gas Networks
Steve Pownall	(SP)	National Grid NTS

Copies of all papers are available at: www.gasgovernance.co.uk/0373/070711

1. Review of Minutes and Actions from previous meeting (02 June 2011)

1.1 Review of Minutes

The minutes of the previous meeting were accepted.

1.2 Review of Actions

WG 0601: Amend connection process rules (RF).

Update: Amended and provided. **Closed**

WG 0602: Provide draft application template (SP).

Update: A list of proposed data items had been provided. **Closed**

WG 0603: Provide a connection process timeline from a National Grid NTS perspective (SP).

Update: Provided. **Closed**

WG 0604: Provide a connection process timeline from a GSOG perspective (JV).

Update: Ongoing. **Carried forward**

2. Discussion

2.1 Action WG0601

In response to Action WG0601, RF explained the amendments made to the connection process rules following the discussion at the last meeting. Reviewing the various sections, the Workgroup made the following observations and comments:

1.5 – RF to consider the definition of a ‘Competent Application’ and clarify.

2.5 – The timescales of 3,6 and 9 months were queried. It was suggested that reporting may potentially be covered under RIIO or could be built in.

2.9 - It was queried whether, if there was failure to agree, it would be referred to Ofgem before the Offer expired.

2.11 – It was suggested that this should be made more generic.

3. – It was suggested that ‘£30,000’ be removed and replaced with ‘...as specified in the Connection Charging Methodology Statement...’. This would avoid having to modify the UNC each year.

4.1 – RF to review and clarify that the Offer remains and does not fall away.

7.2 – There were no specific timescales/cost envisaged regarding a pre-application study. This was briefly discussed and it was suggested that, from National Grid’s perspective, no feasibility study should be required for a green-field site, but would be required for other connections. It was also suggested that a pre-application meeting would be useful but that this was hard to accommodate within the UNC.

RF noted the Workgroup’s comments and will review and amend the connections process rules, and the modification if appropriate.

Action WG0701: Amend the connections process rules, and the modification if appropriate.

2.2 Action WG0602

In response to Action WG0602, SP had provided a draft application template/a list of proposed data items for consideration and discussion.

JV indicated that he would submit by email some suggestions for additions/ amendments for National Grid NTS’ consideration.

Site Operational Parameters were discussed and it was suggested that the way Ramp rate was measured might be shown differently.

SP indicated that any further thoughts and suggestions would be very welcome to enable the form to reflect what would be required.

Action WG0702: Revise application form in light of comments received.

It was questioned what constituted the Offer; SP responded that the Offer was an indicative Offer because of potential timescales. MT emphasised that a landing

had not been reached as to where National Grid can commit to exactly what could be provided at what point.

2.3 Action WG0603

In response to Action WG0603, MT presented a connection process timeline (an Indicative Developer Project Plan) as viewed from National Grid NTS' perspective based on discussions with some developers. It had been developed to address what were thought to be the perceived requirements and MT welcomed comments on whether this reflected what others, in their experience, perceived to be required.

MT explained the example timeline, and pointed out that if this was reasonably accurate then it could potentially be a process that took up to 10 years. It was the aim of National Grid to try and match/run its side of the process in parallel to what was required to facilitate the process.

MT asked at where in the process would a developer put in its application to National Grid, bearing in mind that an Offer was likely to be required before starting the IPC process?

It was suggested that 'break points' might be built into the process where, subject to various consents, etc, a party could reasonably easily withdraw.

MT then presented two other slides: Potential Project Plan – no reinforcement required, and Potential Project Pan – reinforcement required, and explained that it could be 6 years between Offer and connection. He demonstrated how a developer's and National Grid NTS' processes could potentially interact, but would welcome others' views on whether this was practical or how it should fit together differently. He pointed out it was the developer's responsibility to obtain planning consent for the Offtake. It was intended to add defined points, eg to get revenue drivers in place and get the new exit point in the Licence. The current obligated lead-time for capacity was 38 months. It was probable that National Grid would not start investing until a capacity signal was received. MT pointed out that if these timelines were reasonably accurate, then there was potential for capacity to be delivered in a shorter lead-time than was currently experienced and Modification 0373 has potential to deliver some benefits for all parties through better alignment of planning consents and projects. The developer's own timeline is a critical part and if the triggers for the revenue drivers are right, then everyone can benefit.

The Workgroup agreed to review the two previously unseen timelines presented and respond with any comments or suggestions to National Grid NTS as appropriate.

MT emphasised that these would apply to new projects, not existing projects. However National Grid NTS was looking at having bi-lateral agreements prior to providing capacity, so potentially some tasks could be started a lot earlier.

MT also pointed out that these timelines were based on overseeing a single project, and that multiple projects might pose different challenges in terms of interactions with existing/parallel projects. There may be a sense of 'queueing', but it may not be possible to indicate where one might be in the queue because information may be commercially sensitive and not be able to be shared before capacity is actually booked.

3. Any Other Business

3.1 Potential National Grid RIIO Workshop

National Grid was considering organising a RIIO engagement Workshop for IPC Planning implications on NTS connections and SP asked if there was likely to be any interest. It would be an opportunity to share experiences and understanding and identify any issues for further exploration. Some Workgroup members indicated their support, and others would contact colleagues who would be a more appropriate audience. JCx added that National Grid might like to consider a wider audience for invitation.

Noting this, SP will return to the Workgroup with further details.

4. Diary Planning for Workgroup

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

The next meeting will take place as part of the Transmission Workgroup meeting scheduled to commence at 10:00am on Thursday 04 August 2011 at Elexon, 350 Euston Road, London NW1 3AW.

Action Log - Workgroup 0373

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
WG 0601	02/06/11	2.4	Amend the connection process rules.	E.ON UK (RF)	Closed
WG 0602	02/06/11	2.4	Provide draft application template.	National Grid NTS (SP)	Closed
WG 0603	02/06/11	2.4	Provide a connection process timeline from a National Grid NTS perspective.	National Grid NTS (SP)	Closed
WG 0604	02/06/11	2.4	Provide a connection process timeline from a GSOG perspective.	Centrica Storage (JV)	Carried forward
WG 0701	07/07/11	2.1	Amend the connections process rules, and the modification if appropriate.	E.ON UK (RF)	
WG 0702	07/07/11	2.2	Revise application form in light of comments received.	National Grid NTS (SP)	