



The Pace of Change in Great Britain

AN UPDATE FROM IPA ENERGY + WATER ECONOMICS

Inside...

- " Three new bills which will have a significant impact on the electricity sector - the Energy Act 2008, Planning and Energy Act 2008, and Climate Change Act 2008 - come into law, laying the foundations for a revamp of the generation mix and committing the UK to an 80% cut in CO₂ emissions by 2050;
- " The European Commission publishes its Second Strategic Energy Review, stressing the need for big changes to Europe's energy system not only to meet the 20-20-20 targets but also to ensure security of supplies;
- " Government policy on energy and climate change are combined in a new Department under Ed Miliband;
- " Ofgem releases initial findings from its probe into the retail supply market, concluding there is no evidence of collusion between suppliers but also recommending a number of actions to address areas of concern;
- " Meanwhile, two small suppliers, BizzEnergy and Electricity 4 Business, both go into administration with their customers picked up by British Gas; and
- " The Chancellor announces in the Pre-Budget Report that the Renewables Obligation will be extended to at least 2037, giving greater certainty for investment in renewable generation.

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This newsletter provides a brief update of the key wholesale electricity market design changes currently being progressed within Great Britain, focusing on October & November 2008.

The newsletter aims to assist electricity market participants 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 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 + Water Economics on 44 (0) 131 240 0840.

NEW LEGISLATION

Three Bills, that will affect the electricity sector, received Royal Assent in November:

The Climate Change Act 2008 (Chapter 27) Link: http://www.opsi.gov.uk/acts/acts2008/ukpga_20080027_en_1

The Energy Act 2008 (Chapter 32) Link: http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga_20080032_en.pdf

The Planning and Energy Act (Chapter 21) Link: http://www.opsi.gov.uk/acts/acts2008/ukpga_20080021_en_1



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OFGEM PUBLICATIONS

Issue: Licence changes to implement a common charging methodology across all DNOs

Title: Delivering the electricity distribution structure of charges project
Statutory Consultation: Notice under section 11A(3) of the Electricity Act 1989 - Collective Licence Modification intended to deliver the structure of charges project

Published: 1 October
Response due: DNOs have until 29 October to respond to the statutory consultation on licence changes.

Link:
<http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgs/Documents1/Decision%20document%201%20October%202008.pdf>

Link to Stat Con on licence changes:
<http://www.ofgem.gov.uk/Licensing/Work/Notices/ModNotice/Documents1/section%2011A%20notice%20SoC.pdf>

Ofgem has published its decision document, and associated licence modifications, on the implementation of a common methodology for setting distribution use of system charges and the associated governance arrangements. Subject to the licence amendments being implemented, these changes will come into effect on 1 April 2009.

Issue: New consumer protection arrangements

Title of PR: New complaint handling standards go live today
Title of open letter: Decision letter - Modification of Licences and Codes to reflect the abolition of the Gas and Electricity Consumer Council (energywatch) and its replacement with the National Consumer Council

Published: 1 October
Response due: n/a

Link:
<http://www.ofgem.gov.uk/Media/PressRel/Documents1/OFGEM30-011008.pdf>

Links to open letter and appendices:
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=200&refer=MARKETS/RETMKTS/COMPL/CONSREP>

Ofgem issued a press release announcing the implementation of new standards for handling complaints as part of the new consumer redress and representation arrangements. It has also published a letter giving its decision on the code and licence changes it considers are needed to support the new consumer protection measures that came into effect on 1 October including the replacement of energywatch with the new National Consumer Council (Consumer Watch). The statutory notices of changes, that took effect on 1 October, are attached as appendices.

Issue /Title: National Grid's Winter Outlook Report 2008/9

Published: 2 October
Response due: n/a

Link:
<http://www.ofgem.gov.uk/Markets/WhIMkts/CustandIndustry/winout2008/Documents1/081002%20Winter%20Outlook%202008%20-%20final.pdf>

Ofgem's press release can be found at:
<http://www.ofgem.gov.uk/Media/PressRel/Documents1/Ofgem31-021008.pdf>

Ofgem has published the final stage of National Grid's consultation process on the outlook for the gas and electricity demand-supply balance for winter 2008/9.

For electricity, NGET conclude (amongst other things) that..

"Provided the electricity market continues to make plant available in response to the appropriate price signals, demand should be able to be met in full even in a harsh winter (i.e. 1 in 20 demand)."

and

"Demand should be met in all but the most extreme potential combinations of demand forecast error and generation unavailability."

(Extracts from document © National Grid plc, all rights reserved)

Issue/ Titles:
EDF and British Energy have announced



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proposals for a merger of the two companies.

Email circulated: 2 October
Consultation issued 5 November:
Response to consultation due: 10 November

Link to notice:

<http://www.ofgem.gov.uk/ABOUT%20US/ENFORCEMENT/MERGERS/EC/Documents1/BE%20EDF%20-%20Ofgem%20call%20for%20views.pdf>

In October, Ofgem circulated an email announcing the merger proposals and noting that it is subject to approval by shareholders and by the relevant regulatory authorities and that, in this case, the competition aspects of the case will be made by the European Commission.

The email also states that, following the normal procedure, the Commission will consult the Office of Fair Trading, Ofgem and others and that the timescale is very tight.....

"From the time of formal notification, the Commission will have 25 working days within which to make a decision about moving to phase 2 or to clear the case. OFT, Ofgem and any others who want to comment will have a much shorter time to make their views known to the Commission, so as to allow the Commission sufficient time to consider all views."

Ofgem encourages interested parties to express their views on the impact on competition to the European Commission. You may of course choose to copy us in. It is possible that we may seek views at a later stage to inform our advice to OFT and the Commission, but the timescales are likely to be very tight."

In early November, it issued a formal consultation seeking views on any particular factors Ofgem should consider when formulating its response to the EC and OFT and encouraging industry to make any views known to the European Commission (to reach the EC not later than 10 calendar days following the date of the publication of the notification in the Official Journal).

Issue/ Title: Ofgem's response to the Renewable Energy Strategy

Published: 3 October (dated 30 September)
Response due: n/a

Link:

<http://www.ofgem.gov.uk/Sustainability/Environment/Policy/Documents1/Renewable%20Energy%20Strategy%20response.pdf>

Ofgem has published its response to the RES consultation. Amongst other things Ofgem argue for:

- Reform of the RO "to deliver better value for money for customers whilst delivering the challenging new renewable targets". Ofgem also propose dropping the "headroom" provisions.
- A FIT for microgeneration (50kW and less) with payment for TOTAL generation (as opposed to export). Ofgem also note that... "If a FIT is to work, it will need to provide enough incentive for up-front costs as well as suitable pay-back over a period of time. It seems to make sense to have either a one off payment, or a hybrid approach with a high up-front payment and then a lower annual payment following this. This will be more complex to administer but may provide a better fit with the needs of customers."

Ofgem also raise concerns about increasing costs of managing the system as the volume of intermittent generation increase and the potential for over-supply (local or national) and "potential "conflict" between a new fleet of nuclear reactors and wind generation" neither of which can "respond to variable demand".

Issue / Title: RPI-X @ 20 - Ofgem fact sheet and workshops

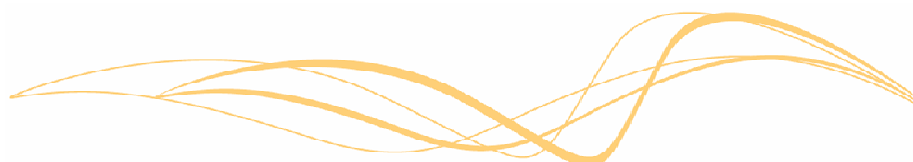
Published: 3 October
Response due: n/a

Link to factsheet:

<http://www.ofgem.gov.uk/NETWORKS/RPI-X/Documents1/RPI-X@20ofgemupdate%20-%20glossy.pdf>

Ofgem has published a fact sheet on its review of the use of "RPI-X" and has issued invitations to two workshops on the review: 7 November 2008 in London and 28 November 2008 in Glasgow (email RPI-X20@ofgem.gov.uk).

Issue: Publication of Brattle's review of Oxera's analysis of the zonal losses modifications



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Title: Balancing and Settlement Code (BSC) modification proposals on zonal transmission losses – review of Oxera’s analysis

Title of Brattle Report: A Review of Oxera’s Cost-Benefit Analysis of the Introduction of ‘Zonal Losses’

Published: 6 October (the report is dated March 2008)
Response due: n/a

Link to cover letter:

http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCCode/Docs/Documents1/081006_LOSSES_Open%20letter.pdf

Link to Brattle report:

http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCCode/Docs/Documents1/20081002_Brattle_losses_report.pdf

Ofgem has published the report by Brattle, commissioned by Ofgem, on its review of Oxera’s analysis of the BSC Zonal Losses Modifications.

The Executive Summary of the report states (amongst other things) that Brattle ... “believe that Oxera’s general conclusions on the benefits of zonal losses are robust.” Although there are a number of qualifiers on this statement including ... “we [Brattle] have concluded that there are more reasons why Oxera may have over-estimated the likely net benefits than there are reasons why it may have under-estimated them.”

Issue: Further detail on the tendering process for offshore transmission assets

Title: Offshore Electricity Transmission - Competitive Tender Process

Published: 6 October
Response due: 15 November

Link:

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Offshore%20Electricity%20Transmission%20-%20Competitive%20Tender%20Process.pdf>

Link to draft template prequalification document:

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Draft%20Pre-Qualification%20Document.pdf>

Link to Draft Template Invitation to Tender Document:

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Draft%20Invitation%20to%20Tend>

[er%20Document.pdf](#)

Ofgem has published a consultation on its proposed approach to managing the tender process, under the “transitional regime”, for offshore transmission assets that “have been or will be constructed by offshore developers” under what is known as “the transitional regime” and the broad principles that would carry forward to the enduring arrangements where the new offshore transmission licensee constructs the assets.

Issue: Ofgem’s findings from its probe into retail energy prices

Title: Energy Supply Probe – Initial Findings Report

Published: 6 October
Response due: 1 December

Link:

<http://www.ofgem.gov.uk/Markets/RetMkts/ensuppro/Documents1/Energy%20Supply%20Probe%20-%20Initial%20Findings%20Report.pdf>

Link to summary of findings:

<http://www.ofgem.gov.uk/Markets/RetMkts/ensuppro/Documents1/Probe%20summary.pdf>

Link to PR (entitled: Ofgem puts industry on notice to make markets work better for all)

<http://www.ofgem.gov.uk/Media/PressRel/Documents1/Probe%20release%20FINAL.pdf>

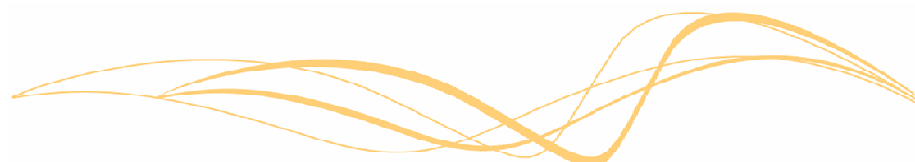
Ofgem’s findings state (amongst other things) that...

“The fundamental structures of a competitive market are in place, and the transition to effective competitive markets is well advanced and continuing. We have, however, found a number of important areas where this transition should now be accelerated.”

It also states that it is....

“satisfied the suppliers’ key pricing decisions are made independently and without unlawful agreements or information exchange between suppliers, although suppliers do consider the pricing policies of their competitors and possible reactions to price changes in reaching these decisions. This is a feature of a competitive market which we would expect to see.”

However, Ofgem does set out a number of issues of concern and proposes a package of measures, or “actions” to address them. These include:



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Action 1: promoting more active customer engagement
Action 2: helping consumers make well-informed choices
Action 3: reducing barriers to entry and expansion
Action 4: helping small business consumers
Action 5: addressing concerns over unfair price differentials

Ofgem also note that...

“While this initial findings report is focused on GB retail energy supply markets, we have also identified a number of issues concerning GB wholesale energy markets. We will explore these issues further, and respond fully to the concerns about wholesale gas and electricity markets expressed by the Business and Enterprise Select Committee in its recent report on energy prices”.

Issue: Publication on key statistics for the 2007/8 RO buy out fund

Title: The Renewables Obligation Buy-Out Fund (2007-2008)

Published: 7 October
Response due: n/a

Link:
<http://www.ofgem.gov.uk/Media/PressRel/Documents1/Ofgem33-07102008.pdf>

The press release indicates that, for this period, the total Renewables Obligation (RO) for electricity supplied to customers across the UK was 25,551,357 megawatt hours (MWh) split: England and Wales 22,857,584 MWh /Scotland (ROS) 2,456,391 MWh / Northern Ireland (NIRO) was 237,382 MWh.

The press release includes further detail, including.....

“The amount paid to suppliers from the buy-out fund on 3 October 2008 for each ROC they presented was £18.59.

There was a shortfall of £6,907,611.76 in the three buy-out funds as not all suppliers fully complied with their obligations. A supplier has the opportunity to make a late payment by 31 October 2008 to fully discharge its renewables obligation under Article 30(2) of the Order. Late payments for the Renewables Obligation (including interest) are expected to be redistributed in early November 2008.”

Issue: Review of competition in the provision of connections

Title: Connections Industry Review 2007-08

Published: 16 October
Response due: 13 November

Link:
<http://www.ofgem.gov.uk/Networks/Connectns/ConnIndRev/Documents1/Connections%20Industry%20Review%202007%2008.pdf>

Ofgem has published its review of the “development of competition and the effectiveness of regulation of service standards” in the provision of gas and electricity connections. The review states that....

“Competition in gas connections continues to be significantly more developed than in electricity where there is little evidence of any effective competition and where service standards are relatively poor.”

Ofgem has identifies a number of areas for improvement and seeks views on how they can be addressed.

Issue: Draft methodologies for assessing transmission network output

Title: Transmission Network Output Measures

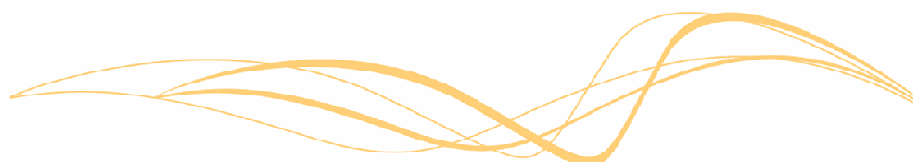
Published: 17 October
Response due: 26 November

Link:
<http://www.ofgem.gov.uk/Networks/Trans/RegReporting/Documents1/Tx%20Ntwk%20Output%20Measures.pdf>

Links to the transmission companies' proposed methodologies and assessments by consultants, can be found at:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Tx%20Ntwk%20Output%20Measures.pdf&refer=Networks/Trans/RegReporting>

Ofgem has published an open letter seeking views on the methodologies, developed by transmission network companies and submitted to Ofgem in May, for assessing network output. Ofgem's letter refers to work by two consultants, also published on Ofgem's website, to “review the licensees' methodologies and to



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develop their own output measures, drawing on developments and best practice from other countries and industries.

Depending on the level of industry interest, Ofgem may also hold industry workshops.

Issue: Treatment of requests for derogations

Title: Derogation requests to facilitate earlier connection of generation – consultation on information required to facilitate Ofgem’s assessment and proposed revised guidance

Published: 21 October
Response due: 18 November

Link:
http://www.ofgem.gov.uk/Licensing/Work/Documents1/081021_Derogations_letter.pdf

Ofgem has published an open letter seeking views on its proposed revised guidance for the treatment of requests, including information required from transmission licensees seeking a derogation from the obligation comply with the GB Security and Quality of Supply Standard ('GB SQSS') to deliver earlier connections, and more generally.

Issue: Ofgem Impact Assessment for National Grid’s proposals for charging for “local generation assets”

Title: Charging arrangements for transmission infrastructure assets local to generation connections

Published: 24 October
Response due: 5 December
Ofgem’s “planned” decision date: 15 December

Link:
<http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/Charging/Documents1/OCT24%20GB%20ECM11%20Impact%20Assessment.pdf>

Covered, below, in the section on Transmission Access.

Issue: Consultation on possible reductions in timescale for publishing changes to DUoS charges by IDNOs, and out of area DNOs where

charges are dependent on DNOs’ charges

Title: Consultation on IDNO and DNO out of area use of system charges: reduction of the 3 month notice period for amending charges under SLC 14(20)

Published: 3 November
Response due: 15 December

Link:
<http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgs/Documents1/Consultation%202.pdf>

Ofgem has published an open letter seeking views on IDNOs’ and out of area DNOs’ licence obligations to publish a statement of changes to charges three months before they take effect when such charges rely on revisions to DNOs Statements of Charges that are published on similar timescales.

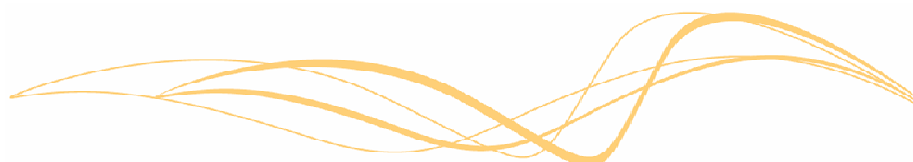
Issue/Title: Update on the DPCR5 process

Published: 6 November
Response due: 14 November

Link:
<http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/DPCR5/Documents1/Open%20letter%20on%20DPCR5%20process%20051108.pdf>
Link to annex:
<http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/DPCR5/Documents1/Annex%20to%20Open%20letter%20on%20DPCR5%20re%20ROE%20051108%20v3.pdf>

Ofgem has published an open letter giving an update on key issues arising from DPCR5 (Distribution Price Control Review 5) and which contains a revised timetable for the remainder of the DPCR5 project, including a new deadline for DNOs to return their main forecast business plan questionnaire submissions and Ofgem’s current thinking on the Information Quality Incentive (IQI).

The letter also includes an annex on identifying/determining variances from the allowed return to equity included in the price control settlement and the reasons for them.



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Issue / Title: Long-Term Electricity Network Scenarios (LENS) – final report

Published: 7 November
Response due: n/a

Link to letter:

http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/lens/Documents1/081107Ofgem_letter.pdf

Link to report:

<http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/lens/Documents1/20081107Final%20Report.pdf>

Ofgem has published the Final Report (by the Institute for Energy and Environment (InstEE) of the University of Strathclyde and King's College London), on electricity network scenarios for Great Britain to 2050.

Ofgem gives a summary of its views, in the foreword to the final report, on the final electricity network scenarios and on the role it thinks the scenarios can play in furthering debate about longer term network issues.

In the covering letter to the report, Ofgem indicates that it intends to publish its final views in an open letter some time early in the New Year. It is also proposing to hold a final stakeholder workshop, at the close of the project, to present its main findings. The workshop is likely to be held soon after the open letter is published.

Issue: Revisions to Ofgem's cost recovery principles following consultation

Title: Revised Licence fee cost recovery principles

Published: 11 November
Response due: n/a

Link:

<http://www.ofgem.gov.uk/Licensing/Work/Documents1/Decision%20document%20following%20legal%20review.pdf>

Ofgem has published an open letter setting out its response to comments on its "Licence fee cost recovery principles" produced following the introduction of the new consumer protection arrangements under the CEAR Act 2007 and detailing the changes that have been made to these principles.

Issue: Proposed licence changes to allow Ofgem to remove the restrictions that prevent it for delaying a decision on code modifications beyond the decide by date

Title: The "timing-out" of Authority decisions on modification proposals

Published: 18 November
Response due: 12 January 2009

Link:

<http://www.ofgem.gov.uk/Licensing/IndCodes/Governance/Documents1/Open%20letter%20on%20implications%20of%20losses%20JR%20FINAL%2020081118.pdf>

Ofgem has published an open letter on the on proposals which are intended to prevent Authority decisions on code modifications being "timed out" under the BSC CUSC and Uniform Network Code for gas. The letter states that Ofgem considers that...

"we believe there are strong arguments to introduce measures that would ensure that Authority decisions are not unnecessarily "timed out" in the future".

In light of this Ofgem is proposing to modify the licence conditions which govern the BSC, CUSC and UNC to.....

"remove the potential that modification proposals relating to those codes may "time out" before the Authority can conduct, procure, or consider information that is necessary for it to make a decision",

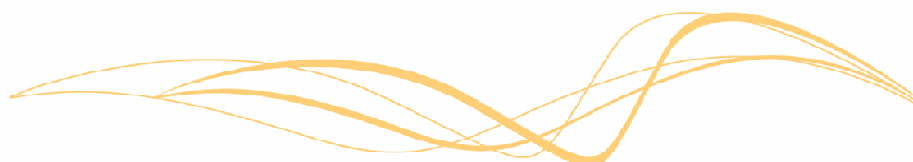
noting that it considers that this was probably the "intended (although clearly not achieved)" outcome of the existing licence drafting.

Ofgem suggest two options for licence changes to achieve this:

- by giving the Authority the ability to vary implementation timetables; or
- by giving the Authority the ability to request a revised implementation timetable, including new "decide-by" date(s), with the relevant code Panel being obliged to comply with the request.

Issue: Next stage in development of off-shore transmission regime

Title: Offshore Electricity Transmission - A further Joint Ofgem/DECC Regulatory Policy Update



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Published: 20 November
Response due: 9 January 2009 (although there is a request for comments “of a material nature” by 18 December)

Link:

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Offshore%20Electricity%20Transmission%20-%20A%20Joint%20OfgemDECC%20Regulatory%20Policy%20Update.pdf>

Links to annexes:

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%201%20Transmission%20Licence%20Standard%20Conditions.pdf>

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%202%20BSC.pdf>

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%203%20CUSC.pdf>

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%204%20DCUSA.pdf>

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%205%20Distribution%20Code.pdf>

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%206%20Grid%20Code.pdf>

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%207%20STC.PDF>

<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%209%20NGET's%20Special%20Licence%20Conditions.pdf>

Ofgem/DECC have published a consultation that sets out further updated proposals for the design of the competitive offshore transmission regime which incorporates a consultation, by the Secretary of State, on the licence and industry code changes (with separate annexes for each of the key document changes).

The “key high-level milestones and dates” given in the document are reproduced below.

November 2008
Publication of this Consultation Document
DECC/Ofgem External Communication Session
Anticipated Royal Assent for the Energy Bill powers

New Year
Second Ofgem Tender Regulations Consultation

February 2009

Ofgem to publish revised tender consultation including an update on the regulatory regime and the tender documentation

Spring 2009
Final consultation on Offshore Transmission Regime including codes and licences

June 2009
“Go-Active” commencement of sections 90, 91 and 92 of EA2004

Summer 2009
First tenders commence

June 2010
“Go-live” commencement of sections 89 and 180 of EA2004

The document also states that invitations will be issued for a DECC/Ofgem external communication session to be held on 8 December (to reserve a place email offshore.transmission@berr.gsi.gov.uk); and that parties wishing to meet with Ofgem in advance of the tender process should contact Sam Cope on 020 7901 7239 or by email at Sam.Cope@ofgem.gov.uk.

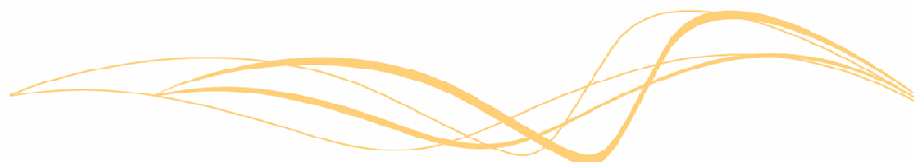
Issue: Potential expansion of the industry’s, and the Panel’s, objectives to include assessment of environmental impacts

Title: Review of Industry Code Governance – Environment and Code Objectives

Published: 21 November
Response due: 16 January

Link:
http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/open%20letter%2020%20November%20draft%20_4_.pdf

Ofgem has published an open letter seeking views on whether to widen the scope of the Panels’ and Industry’s objectives, to include assessment of environmental impacts. It also seeks “*industry and panel views on whether they agree that the existing code framework not only enables, but also obliges them to assess the GHG impacts of code modification proposals under the existing code objective governing efficient and economic network operation and that the scope for this assessment is not limited to the impact on a particular licensee or industry*”.



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Issue: Ofgem consultation on extending the duration of the “small generator” discount for 132kV connected generators in Scotland to 31 March 2011

Title: Consultation on the discount for small transmission connected generators from 31 May 2009

Published: 24 November
Response due: 5 January 2009

Link:
<http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/TADG/Documents1/Small%20Generators.pdf>

Ofgem has issued a consultation on extending the drop dead date for the small generator discount in Scotland (the discount for TNUoS charges for small Scottish generators that are transmission connected at 132kV) from 31 May 2009 to 31 March 2011. This is coupled with proposals to strengthen the obligation on NGET to implement an approved enduring charging solution no later than 1 April 2011 and other minor changes.

Issue: Ofgem consumer research

Title: Ofgem Research on Non-Vulnerable Consumers' Engagement with the Energy Market

Published: 28 November
Response due: n/a

Link:
<http://www.ofgem.gov.uk/Consumers/CF/Documents1/non%20vulnerable.pdf>

Ofgem has published a report into research, undertaken as part of its Consumer First initiative, into engagement in the energy market among “non-vulnerable” customers, which mirrors its previous research into engagement by vulnerable customers and includes findings across both market sectors. The report, by FDS International Ltd, is dated June 2008.

Issue: MORI survey (consumer research)

Title: Customer Engagement Survey

Published: 28 November
Response due: n/a

Link:
http://www.ofgem.gov.uk/Consumers/CF/Documents1/Customer_Engagement_Survey_FINAL1.pdf

Ofgem has published the results of a customer survey of domestic energy customers' attitudes and behaviour in the energy supply market to help determine the extent to which the market is “working” for consumers.

The report, which was prepared by MORI, is dated August 2008.

Issue: Ofgem consumer (small businesses) research to support the Energy Supply probe

Title: Ofgem Research on Consumers' Views of Issues in the Small Business Energy Supply Market

Published: 28 November
Response due: n/a

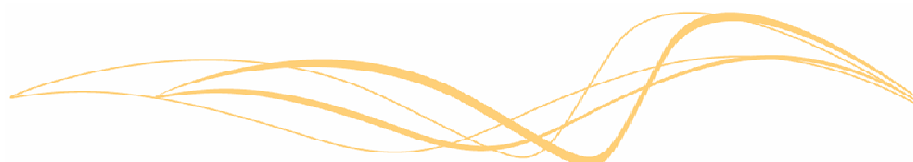
Link:
<http://www.ofgem.gov.uk/Consumers/CF/Documents1/small%20business.pdf>

Ofgem has published research into small business consumers' views on the energy supply market. The report's conclusions include, amongst other things...

“On the evidence of this study it is common for energy companies to:-

- *win business through dubious sales practices*
- *keep customers through one-sided contracts, with verbal contracts a particular source of confusion*
- *exploit the passivity of customers and the fact they have other priorities*
- *appear to make very little effort to retain customers through quality of service.*

The regulations for the energy market tend to assume people running small businesses do not need the same level of protection as vulnerable residential customers. While there is a clear logic for this view our study suggests current regulations may favour energy companies over hard-pressed small businesses, whose owners are not necessarily sharp and astute business people. This study suggests tighter regulation of TPIs and energy companies may be desirable”.



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LICENCES

NOTICES OF ELECTRICITY LICENCES APPLIED FOR IN OCTOBER & NOVEMBER

Company/Licence: **Wainstones Energy Limited** / electricity generation licence

Notice published/application submitted: 30 October/22 October

Link:
<http://www.ofgem.gov.uk/Licensing/Work/Notices/AppNotices/Documents1/Wainstones%20Energy%20notice.pdf>

Company/Licence: **MGT Power Limited** / electricity generation licence

Notice published/application submitted: 6 November/3 November

Link:
<http://www.ofgem.gov.uk/Licensing/Work/Notices/AppNotices/Documents1/MGT%20application%20notice.JPG.pdf>

NOTICES OF ELECTRICITY LICENCES GRANTED IN OCTOBER & NOVEMBER

Company/Licence: **MA Energy Limited** / electricity supply licence (non- domestic customers)

Notice published/licence granted: 23 October /21 October

Link:
<http://www.ofgem.gov.uk/Licensing/Work/Notices/Licences/Documents1/MA%20Notice.pdf>

NOTICES OF ELECTRICITY LICENCES REVOKED IN OCTOBER & NOVEMBER

Company/Licence: **Electricity 4 Business** / revocation of electricity supply licence

Notice published/licence revoked: 22 October/ 24 October (00.01 hours)

Link:
<http://www.ofgem.gov.uk/Licensing/Work/Notices/RevocNotice/Documents1/electricity4business%20revoca>

[tion.PDF](#)

GOVERNMENT AND OTHER BODIES

Department of Business Enterprise and Regulatory Reform; Department of Environment, Food and Rural Affairs and the new Department of Energy and Climate Change

New Roles and Responsibilities:

The details of the new cabinet can be found at: <http://www.number10.gov.uk/Page17065>; the details of the new DECC and the new responsibilities at BERR and DEFRA can be found in the press release at the links given below.

Issue / Title: Department of Energy and Climate Change established

Published: 3 October
Response due: n/a

Link:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=380457&NewsAreaID=2>

PR on the establishment of the new department of Energy and Climate Change, carved out of BERR and DEFRA, and headed by Ed Miliband.

Issue/ Title: Department for Environment, Food And Rural Affairs (National)

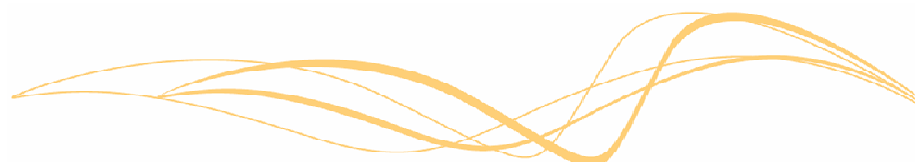
Ministerial portfolios at Department for Environment, Food and Rural Affairs

Published: 7 October
Response due: n/a

Link:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=380628&NewsAreaID=2>

Press release announcing the new Ministerial appointments within the downsized DEFRA.

Hilary Benn continues as Secretary of State with three new Ministers: Jane Kennedy (Minister for Farming and the Environment); Phil Hunt (Minister for Sustainable Development, Climate Change Adaptation and Air



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Quality), and Huw Irranca-Davies (Minister for the Natural and Marine Environment, Wildlife and Rural Affairs).

Issue: Announcement of new ministers at BERR

Title: Ministerial responsibilities announced at the Department for Business, Enterprise and Regulatory Reform

Published: 9 October

Response due: n/a

Link:

<http://nds.coi.gov.uk/environment/fullDetail.asp?ReleaseID=380767&NewsAreaID=2&NavigatedFromDepartment=True>

See also:

<http://www.berr.gov.uk/aboutus/ministerialteam/page40355.html>

Press release announcing Ministerial appointments at BERR following the establishment of the new Department of Energy and Climate Change and the Government reshuffle.

Peter Mandleson takes over as Secretary of State with: Pat McFadden MP (Minister For Employment Relations And Postal Affairs); Gareth Thomas MP (Minister For Trade, Investment And Consumer Affairs (jointly with DFID)); Ian Pearson MP (Economic And Business Minister (jointly with HMT)); Stephen Carter CBE (Minister For Communications, Technology and Broadcasting (jointly with DCMS)); and Shriti Vadera (Minister For Competitiveness And Small Business (jointly with Cabinet Office)).

Issue / Title: Ministerial responsibilities at the Department of Energy and Climate Change

Published: 14 October

Response due: n/a

Link:

<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381277&NewsAreaID=2>

DECC has issued a press release announcing the new Ministerial appointments at the newly created DECC.

Secretary of State, Ed Miliband MP is joined by: Mike O'Brien MP; Lord Hunt of Kings Heath OBE; Joan

Ruddock MP. The Acting Permanent Secretary is Moira Wallace.

Business:

Issue: Linkage of European and global registry systems and allocation of 2008 allowances to operators

Title: UK to issue European carbon allowances

Published: 3 October

Response due: n/a

Link:

<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=380406&NewsAreaID=2>

Link to EU press release (dated 6 August):

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1246&format=HTML&aged=0&language=EN&guiLanguage=en>

DEFRA (prior to the reshuffle) issued a press release on 10 days down time, starting 6 October, for the EU registries whilst European and Global registry systems are linked. The PR states that the UK system will be offline for "a number of additional days" while 2008 allowances are allocated to operator holding accounts and that....

"Once the UK registry is brought back on-line, all 2008 allowances will be available in operator accounts. This is likely to be in early November 2008."

See press release of 24 October, below, announcing that the system was back on line on 27 October.

Issue: Publication of report on the impact on maintaining the stability of the grid as the penetration of wind increases.

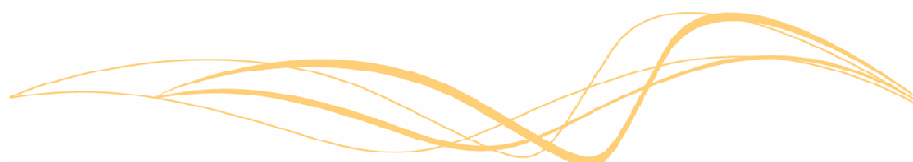
Title: Generic Stability Analysis of the GB Electricity Transmission System in the Long Term

Published: 10 October

Response due: n/a

Link: <http://www.berr.gov.uk/files/file48400.pdf>

BERR has published a report prepared for it, under contract, by National Grid on the implications for Transient and Dynamic Stability of increased wind



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generation on the GB Transmission system.

Issue: The UK Government's decision to increase its commitment to reducing Greenhouse gases to 80% reduction (on 1990 levels) by 2050

Title: UK leads world with commitment to cut emissions by 80% by 2050

Published: 16 October
Response due: n/a

Link:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381477&NewsAreaID=2>

Press release announcing the new Secretary of State's decision to increase the UK's target for reducing Greenhouse gases cutting greenhouse to an 80% reduction on 1990 levels by 2050 that will be implemented via amendments to the Climate Change Bill.

The PR also reproduces Mr. Milliband's statement to the House of Commons.

This includes, amongst other things, the statement that he believes that...

"complementing the renewables obligation for large-scale projects, guaranteed prices for small-scale electricity generation, feed-in tariffs, have the potential to play an important role, as they do in other countries" and that he intends to introduce amendment to the Energy Bill to implement this.

Commenting on the changes since the current market structures were designed, Mr. Miliband states that...

"To respond to this new world, we need a market that secures future supply, including with investment in nuclear power and carbon capture and storage; more to incentivise cuts in carbon emissions; and more to help homes and businesses."

Commenting on affordability, the statement refers to Ofgem's report published the week before and the finding that....

"the energy regulator Ofgem highlighted what they believed to be unjustified higher charges of 4m electricity customers in areas not connected to the gas main. They also believe that even taking account of

higher costs facing companies from customers with pre-payment meters, many homes that use them are being overcharged. Unfair pricing which hits the most vulnerable hardest is completely unacceptable."

Issue/Title: Announcement of Volume of Allowances for the First UK Auction

Published: 17 October
Response due: n/a

Link:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381652&NewsAreaID=2>

DECC has issued a press release stating that Government intends to auction 4 million allowances at the auction on 19 November 2008 and that it plans to auction 25 million allowances in 2009.

Issue/Title: UK is world leader in offshore wind

Published: 21 October
Response due: n/a

Link:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381930&NewsAreaID=2>

The new DECC has issued a press release announcing that the UK now has more off-shore wind that than any other country, including Denmark, with 597 MW fully constructed capacity.

Issue/Title: UK carbon allowance registry to go back on-line and recommence processing transactions at 10:30 GMT on Monday 27 October 2008

Published: 24 October
Response due: n/a

Link:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=382268&NewsAreaID=2>

Press release announcing the date the UK registry goes back on line.



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Issue: Energy Bill Amendments and Royal Assent Title: Amendments to the Energy Bill (and decision on smart meter)

Amendments published: 29 October
Bill Received Royal Assent: 26 November
Response due: n/a

Link to amendment:

<http://www.publications.parliament.uk:80/pa/ld200708/dbills/086/amend/am086-a.htm>

Link to Hansard statement on smart meters (28 Oct 2008: Column 1515):

<http://www.publications.parliament.uk/pa/ld200708/ldhansrd/text/81028-0008.htm>

Link to Energy Act 2008:

http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga_2008032_en.pdf

In late October, Government tabled amendments to the Energy Bill (for third reading in the House of Lords in November) that introduced a number of important new provisions that affect the electricity sector. These include:

- “feed in tariffs” for small scale generation – up to a maximum of 3 MW – the final limit will be set out in an order. The limit for CHP system is 50 kW or below. The new arrangements will be introduced via changes to DNO and supply licences but the amendment also includes provisions to allow changes to be made to (all) licence maintained documents (the 3 MW maximum limit was subsequently raised to 5 MW via a Commons amendment, accepted by the Lords);
- some detailed provisions covering the governance of the RO in Scotland and to the treatment of grants;
- changes to the Authority’s duties that increase the priority of contributing to the achievement of sustainable development (although it remains a secondary duty). The drafting of the Authority’s duty to consumers is changed to “existing and future” consumers;
- general powers to modify licences and subsidiary documents to facilitate access to the off-shore transmission system and the efficient use of the on and offshore transmission system; and
- provisions to allow Ofgem to produce regulations to allow DNOs to charge prospective connectees

“connection offer expense” .

Separately, Lord Hunt announced in the House of Lords on 28 October that “Government have taken the decision to mandate smart meters for all households” and that “the existing powers in the Energy Bill will enable the Government to proceed with a domestic roll-out”.

After returning to the Commons, and then returning to the Lords, the Energy Act 2008 received Royal Assent on 26 November. The Climate Change Bill (link: http://www.opsi.gov.uk/acts/acts2008/ukpga_20080027_en_1) also received Royal Assent on the same day.

Issue: Government’s position on changes on the EU’s proposed changes to the EU ETS Directive

Title: Government’s Response to Consultation on Commission’s proposals to amend the EU Emissions Trading Scheme from 2013

Published: early November
Response due: n/a

Link: <http://www.defra.gov.uk/corporate/consult/euets-2013amendments/government-response.pdf>

DECC has published (on the DEFRA website) the Government’s response to consultees’ comments following its May consultation on the EU’s proposals for amending the EU ETS Directive and setting out the Government’s position on the issues raised and noting that it “*strongly supports the Presidency’s aim of concluding the negotiations this year*”.

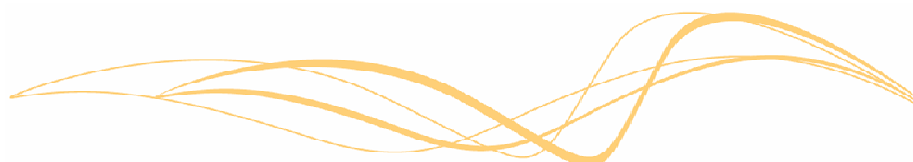
Issue: Security of Supply written Ministerial Statement to the House of Commons following his meeting with Energy Supply Companies

Title: Written Ministerial Statements for 18 November 2008 SoS DECC: Energy Supply Companies

Published: 18 November
Response due: n/a

Link: <http://www.parliament.the-stationery-office.co.uk/pa/cm200708/cmhansrd/cm081118/wmstext/81118m0002.htm#08111871000006>

Ed Milliband, provided a WMS on 18 November



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following a meeting with energy supply companies.

The WMS states that... *“At the meeting, I also highlighted the public’s concern about the current high level of retail prices. I impressed upon the companies the need for retail energy prices to reflect changes in wholesale prices as soon as possible. The Government and the industry are agreed on the need to bring down retail gas and electricity prices.”*

The meeting also recognised the need for very significant levels of investment in our energy infrastructure in the coming years.”

Referring to resolution of issues identified in Ofgem’s report on the energy supply market, he notes that. *“I stand ready to consult on legislation should there not be a speedy and satisfactory resolution to these issues”.*

Issue: Announcement of results of Government’s auction of EU ETS allowances under the

Title: UK first to auction carbon

Published: 19 November
Response due: n/a

Link:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=384678&NewsAreaID=2>

DECC issued a press release following the UK’s (and Europe’s) first auction of carbon allowances under Phase II of the EU Emissions Trading Scheme. The PR stated that four million allowances were sold for a total value of £54m (excluding VAT); which amounted to £13.60 per allowance, at a Euro/Sterling exchange rate 0.8428.

Title: Offshore Electricity Transmission - A further Joint Ofgem/DECC Regulatory Policy Update

Published: 20 November
Response due: 9 January 2009 (although there is a request for comments “of a material nature” by 18 December).

Link:
<http://www.berr.gov.uk/whatwedo/energy/sources/renewables/policy/offshore-transmission/page49059.html>

See under Ofgem, above.

Issue: DECC PR covering some of the announcements affecting the energy sector in the PBR

Title: A fairer deal for energy customers

Published: 24 November
Response due: n/a

Link to PR:
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=385248&NewsAreaID=2>
Link to full text of the PBR: http://www.hm-treasury.gov.uk/prebud_pbr08_repindex.htm

DECC has issued a press release on measures announced in the PBR that affect energy customers and climate change:

- Warm Front – an additional £100m to be added to the warm front initiative;
- a requirement for Ofgem to produce quarterly reports showing the relationship between wholesale prices, estimated hedged wholesale costs and average retail prices for gas and electricity (first report due February), noting that this *“will make it clearer when companies are passing the benefits of downward price changes through to their consumers and will ensure transparency over future price changes”*; and
- extending the duration of the RO to (at least) 2037.

BUSINESS ENTERPRISE AND REGULATORY REFORM COMMITTEE

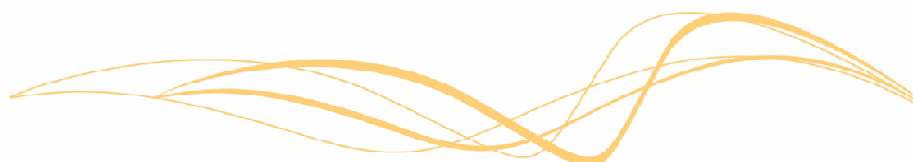
Issue: Publication of the Government’s response

Title: Energy prices, fuel poverty and Ofgem: Government Response to the Committee’s Eleventh Report of Session 2007–08

Printed 7: October
Response due: n/a

Link:
<http://www.publications.parliament.uk/pa/cm200708/cmselect/cmberr/1069/1069.pdf>

The BERR Committee has published the Government’s response to the Committee’s report on energy prices, fuel poverty and Ofgem.



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ENVIRONMENT FOOD AND RURAL AFFAIRS COMMITTEE

Issue: Discontinuation of Inquiry

Title: ENERGY EFFICIENCY AND FUEL POVERTY: SPECIAL REPORT

Published: 16 October
Response due: n/a

Link:
http://www.parliament.uk/parliamentary_committees/environment_food_and_rural_affairs/efra_pn63_081016.cfm

The EFRA Committee has issued a press release announcing that, given the change in DEFRA's remit the Committee will not be continuing with this inquiry but it will, on 6 November, publish a Special Report containing the written evidence presented to it.

INNOVATION, UNIVERSITIES, SCIENCE AND SKILLS COMMITTEE

Issue: Publication of the Government's response to the Committee's report on Renewable Electricity-Generation Technologies

Title: Government Response Renewable Electricity-Generation Technologies

Published: 16 October
Response due: n/a

Link:
<http://www.publications.parliament.uk/pa/cm200708/cmselect/cmdius/1063/1063.pdf>

The Committee has published the Government's response to its report on renewable electricity technologies.

House of Lords European Committee

Issue/title: House of Lords Select Committee report on The EU's Target for Renewable Energy: 20% by 2020

Published: 24 October
Response due: n/a

Link:
<http://www.publications.parliament.uk/pa/ld200708/ldselect/ldcom/175/175.pdf>

The House of Lords EU Select Committee has published its report on its into inquiry renewables target proposed by the Commission and accepted by Member States. It concludes, amongst other things, that ...

... "We [the Committee] are concerned, however, that achieving 20% of energy from renewable sources by 2020 will be extremely challenging."

TRANSMISSION ACCESS REVIEW

Issue: Consultation on potential changes to the way the residual element of the GENERATOR TNUoS charges are calculated for short term access products that have been proposed under various CUSC Amendment proposals

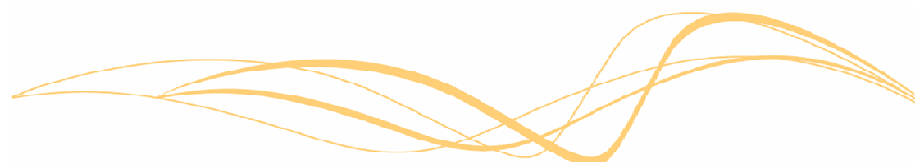
Title: Pre-Consultation Document GB ECM-13 For the treatment of the residual generation tariff in the calculation of Transmission Network Use of System (TNUoS) tariffs

Published: 13 October
Response due: 4 December

Link:
<http://www.nationalgrid.com/NR/rdonlyres/D26D9CDA-6D83-4E11-894F-AAB7C9F6925F/29079/GBECM13DraftvFINAL12.pdf>

National Grid has issued a "pre-consultation" on options for changing the way in which the residual element of the Transmission Network Use of System (TNUoS) generation tariff is calculated and levied. The proposal forms part of the package of measures developed under the Transmission Access Review and is needed to support new charging arrangements for short term access products that form part of the suite of CUSC Amendments flowing from the review (CAPs 161 - 166: CAP161: System Operator Release of Short-term Entry Rights; CAP162: Entry Overrun; CAP163: Entry Capacity Sharing; CAP164: Connect and Manage; CAP165: Finite Long-term Entry Rights; and CAP166: Long-term Entry Capacity Auctions).

Issue: Ofgem Impact Assessment for National Grid's proposals for charging for "local generation assets"



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Title: Charging arrangements for transmission infrastructure assets local to generation connections

Published: 24 October
Response due: 5 December
Ofgem's "planned" decision date: 15 December

Link:
<http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/Charging/Documents1/OCT24%20GB%20ECM11%20Impact%20Assessment.pdf>

Ofgem has published an Impact Assessment on National Grid's proposals for changes to the charging arrangements that apply when generators opt for non standard connections and which forms part of the TAR package of proposals that allow earlier access to the network than is available under the current arrangements. The changed methodology is intended to *"improve the cost reflectivity of charging for transmission assets which are local to generation connections by splitting out the Transmission Network Use of System (TNUoS) charge to more accurately defined local and wider locational components"*.

The proposal introduces two new elements into the structure of the TNUoS charge: a 'Local' circuit charge; and a 'Local' substation charge.

Issue/Title: Charging Pre-Consultation Document GB ECM-14 Consequential impact of CUSC amendment proposals: CAP161 Transmission Access - System Operator Release of Short-term Entry Rights CAP162 Transmission Access - Entry Overrun CAP163 Transmission Access – Entry Capacity Sharing CAP164 Transmission Access – Connect and Manage

Published: October
Response due: 14 November (subsequently extended to 21 November 2008)

Link:
<http://www.nationalgrid.com/NR/ronlyres/24B2D6E4-15E1-48D5-BE45-D346367EC3FE/29059/GBECM14PreconsultationCap161thru164v11.pdf>

National Grid has issued a pre-consultation on issues

surrounding the consequential changes needed to the charging methodologies to accommodate the CUSC amendment proposals supporting the access models developed under the transmission access review. GB ECM-15 (below) covers charging issues associated with CAP165 (Finite Long-term Entry Rights).

Issue/Title: Pre-Consultation Document GB ECM-15 Long-term Fixed Transmission Network Use of System (TNUoS) Tariffs

Published: 31 October
Response due: 28 November

Link:
<http://www.nationalgrid.com/NR/ronlyres/68883582-3D05-4E88-9CC0-C0224339FAD2/29284/GBECM15Final.pdf>

National Grid has issued a pre-consultation on charging options for calculating long-term fixed tariffs to support the long term access right arrangements proposed under CAP 165. The consultation also asks *"whether respondents believe fixed price tariffs would be appropriate under the CAP165 arrangements."*

GB SO

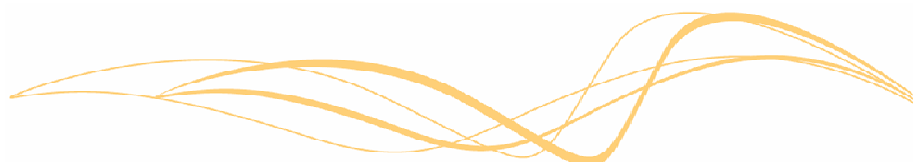
Issue/Title: BM System Replacement

Published: 7 October
Response due: 6 November

Link:
<http://www.nationalgrid.com/NR/ronlyres/B961884A-EC28-4771-A40F-02F254B00A18/28752/bmrepreconsultationv10.pdf>

National Grid has issued a consultation on replacing the Balancing Mechanism System which is approaching the end of its design life. The purpose of the consultation is to provide National Grid with an understanding of *"the potential impact the replacement of this key IT system may have on the industry and seeks market participant views on the proposed changes"* to enable it to *"develop a robust IT system that meets both the industry and National Grid requirements and priorities."*

The consultation follows discussion at the June 2008 Operational Forum.



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Issue: Charging proposals following GB participation in the European ITC mechanism

Title: Consultation Document GB ECM-12 Use of System charging methodology issues relating to GB participation in the Inter TSO Compensation (ITC) mechanism

Published: 14 October
Response due: n/a

Link:
<http://www.nationalgrid.com/NR/ronlyres/9F19D119-EA32-4DCE-B4ED-988328D72C39/28977/GBECM12ITCConsultationV10.pdf>

National Grid have issued a consultation on possible charging options and the charging issues associated with GB participation in the Inter TSO Compensation (ITC) mechanism. National Grid makes a net payment into the mechanism (~€12m) although it notes that this is much less than the charges (~€18m) that would be levied on Interconnector Users if National Grid had not joined the scheme.

National Grid proposes that there should be no change to the charging methodology as a result of GB participation the mechanism.

Issue: A further consultation, requested by Ofgem, on National Grid's proposed off shore transmission charging arrangements.

Title: Further Consultation Document GB ECM-08 Modification proposal to the Transmission Network Use of System Charging Methodology to introduce charging arrangements associated with Offshore Transmission Networks

Published: 28 October
Response due: 24 November

Link:
<http://www.nationalgrid.com/NR/ronlyres/EDF97DC1-2A07-407B-80B1-DA1E9C171546/29207/GBECM08OffshoreChargingFurtherConsultation.pdf>

At Ofgem's request, National Grid has issued a further consultation on its charging arrangements that will apply when the offshore transmission network arrangements go live. The document covers the

concerns raised by Ofgem when requesting the additional consultation and consequential changes to the methodology that National Grid is proposing. It also covers situations where offshore transmission networks at 132kV connect to onshore distribution networks which was not included in the original consultation in December 2007.

Issue: New quarterly publication by National Grid on future connections to the transmission network.

Title: Transmission Networks Quarterly Connections Update – October 2008

Published: 29 October
Response due: n/a

Link:
<http://www.nationalgrid.com/NR/ronlyres/FCB598A1-D167-46C0-BF11-827730C3647F/29361/TNQCUCOct08v5forpublication.pdf>

National Grid has published an open letter advising the industry of a new quarterly publication, produced by National Grid, on future connections to the transmission network and attaching the October edition.

Issue: Pre-consultation on proposals from the Scottish Executive on a new method for determining network use of system charges for generators (a flat, non locational, user charge per MWh using the network).

Title: Pre-Consultation Document GBECM-17 Transmission Charging – A New Approach

A proposal by:
Scottish Power
Scottish and Southern
Scottish Renewables Forum
Scottish Government

Published: 7 November
Response due: 4 December 2008

Link:
<http://www.nationalgrid.com/NR/ronlyres/BFA77F25-4EE3-4D7E-9102-669C4E979B4A/29649/GBECM17TransmissionCharging.pdf>



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[ngANewApproach.pdf](#)

National Grid has published a “pre-consultation” that presents..... “*an option for introducing an alternative charging methodology as proposed by the Scottish Government*” that had been developed in conjunction with Scottish and Southern Energy, Scottish Power and the Scottish Renewables Forum.

The approach being proposed is that generators should pay a non locational uniform useage charge for each MWh transmitted. The charge would be calculated from the revenue requirement (£) divided by the forecast generation output (MWh) with provision for an under/over-recovery adjustment via a revenue restriction correction factor. It is estimated that the charge would currently be around £1/MWh.

The document notes that.... “*National Grid is seeking industry views on this proposal prior to any further development*”.

In explaining the rational for developing an alternative approach the proponents note that...

“Overall, we feel that the current system of charging is a significant barrier to the achievement of ambitious renewable targets and could result in closure of essential thermal plant. In summary the current system of charging is not fit for purpose and will not deliver broader energy policy objectives.”

Issue: Consideration of possible new pricing options for connection offers

Title: Open Letter to Industry – Offer Pricing Options

Dated and circulated: 5 November / Published on website: 24 November
Response due: 24 December

Link:
http://www.nationalgrid.com/NR/ronlyres/994E438E-507D-4976-91E5-3646B69C8355/29964/OpenlettertoIndustryOfferPricingOptions_Final.pdf

National Grid has published an open letter seeking industry views on the existing and possible new types of pricing options industry may wish to see for offers for connection to the transmission system from National Grid.

Issue /Title: National Grid Electricity System Operator Incentives Initial Proposals Consultation

Published: 27 November
Response due: 9 January 2010

Link to consultation:
<http://www.nationalgrid.com/NR/ronlyres/7264C9C8-8DA9-4490-8E95-634B3E6894A8/30035/ElectricitySOIncentivesInitialProposalsConsultatio.pdf>

Link to appendix giving NGET’s initial forecast of balancing costs:

<http://www.nationalgrid.com/NR/ronlyres/51113012-5979-4630-AC34-E57750E47411/30036/ElectricitySOIncentivesInitialProposalsConsultatio.pdf>

Link to appendix on historic costs:

<http://www.nationalgrid.com/NR/ronlyres/1C8B5245-86F7-4313-B13A-B39BFE36F9DD/30038/AppendixtoNGETSOIncentiveInitialProposals.pdf>

National Grid has published its initial proposals for the System Operator (external) incentive to come into effect on 1 April 2009. The consultation sets out its assessment of the main cost drivers in 2008/9 and forecast for 1009/10.

The consultation indicates that National Grid is currently forecasting an increase in BSUoS costs from £1050m (2008/9) to £1259m for 209/10 implying the average BSUoS charge would increase from £1.53/MWh to £1.82/MWh under its central forecast.

THE BSC AND CUSC

Joiners in November:

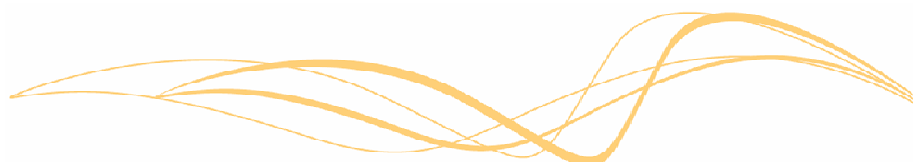
EDF Energy (IDNO) Limited

Statkraft Energy Limited (as a generator)

Other Non Mods business

Issue: Electricity 4 Business Ltd default under the BSC & appointment of British Gas Trading as Supplier of Last Resort

**Titles:
Urgent BSC Panel Meeting for Electricity 4**



The Pace of Change in Great Britain

Business Ltd Appointment of Supplier of Last Resort for Electricity 4 Business Customers

Published: 23 October
Response due: n/a

Link to BSC Panel resolutions:
http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01649.pdf

Link to circular detailing supplier of last resort:
http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01650.pdf

Ofgem's direction appointing BGT can be found at:
<http://www.ofgem.gov.uk/Licensing/Work/Revoc/Documents1/SOLR%20Direction%2023Oct2008.PDF>

ELEXON published two circulars in respect of Electricity 4 Business. The first sets out the resolutions passed at an emergency meeting of the BSC Panel following the default of Electricity 4 Business Ltd, and the second covers the appointment of British Gas Trading as the Supplier of Last Resort.

Issue/Title: GSP Registration Consultations (Ardkinglas & Quoich)

Published: 23 October 2008
Response Due: 30 October 2008

Link to Ardkinglas consultation:
http://www.elexon.co.uk/documents/Consultations/Ardkinglas_GSP_Registration_Consultation/Consultation_for_allocation_of_the_new_Grid_Supply_Point_Ardkinglas.pdf

Link to Quoich consultation:
http://www.elexon.co.uk/documents/Consultations/Quoich_GSP_Registration_Consultation/Consultation_for_allocation_of_the_new_Grid_Supply_Point_Quoich.pdf

ELEXON issued two one week consultations on the registration, and inclusion in the relevant GSP Group, of new GSPs at Ardkinglas and Quoich.

Issue: Default, under the BSC, of BizzEnergy and Trade Sale to British Gas

Title: Urgent BSC Panel Meeting for BizzEnergy Ltd.

Published: 1 November
Response due: n/a

Link:
http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01654.pdf

ELEXON published a circular detailing the resolutions passed by the BSC Panel following the default, under Section H3.2.1 of the BSC, by BizzEnergy. On the same day, ELEXON circulated a notice, from British Gas, notifying it of the transfer of BizzEnergy's BM Units to British Gas as part of the Trade Sale.

CAP Consultations in October and November

Issue / Title: Increase in the Credit Assessment Price (CAP) to £108/MWh effective from 6 November 2008

Published: 9 October
Effective from: 6 November

Link:
http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01640.pdf

Title: Credit Assessment Price (CAP) Consultations and revised levels

Published: 10 November 2008
Response due: 17 November 2008

Link:
[http://www.elexon.co.uk/documents/Consultations/Credit_Assessment_Price_\(CAP\)_Consultation/Credit_Assessment_Price_Consultation_v1.0.pdf](http://www.elexon.co.uk/documents/Consultations/Credit_Assessment_Price_(CAP)_Consultation/Credit_Assessment_Price_Consultation_v1.0.pdf)

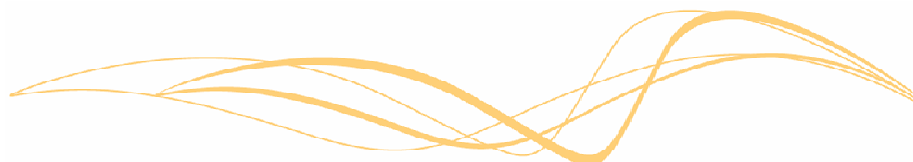
CAP was consulted on, and reset, a number of times during October/November and the "CAP trigger level" (the difference in level of forward prices and CAP that triggers a review) was increased to £15/MWh.

Following consultation in October it was increased to £108/MWh on 6 November and then reduced to £67/MWh (effective from 17 December).

Issue: Consultation on possible improvements to Section A of the BSC, and associated processes, following the biannual BSC review.

Title: BSC Review 2008: Parties and Participation (Section A) - Report

Published: 17 November 2008



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Response due: 28 November 2008

Following its biannual review of the BSC which focused on Section A of the BSC (Parties and Participation), ELEXON has published a report on its findings and the improvements it thinks can be made to this section and its associated processes.

Link:

http://www.elexon.co.uk/Publications/corporateandfinancial/bsc_review.aspx

Link to report:

http://www.elexon.co.uk/documents/Publications/Publications - BSC Review/BSC Review 2008 - Final_Report.pdf

Issue/Title: New Industry BSC Panel Member – Catherine Mitchell

Link to CV:

<http://www.elexon.co.uk/bscpanelandcommittees/panelmembers/contactDetail.aspx?contactID=208&groupID=3>

Nick Durlacher, Chairman of ELEXON, has appointed Catherine Mitchell to be a new Industry Panel Member.

Issue/Title: Losses Modification in December

ELEXON has advised the BSC Panel that “a new Transmission Losses Modification Proposal is likely to be raised by a Party in December” and that it will be based on P203 (Introduction of a seasonal Zonal Transmission Losses scheme).

Link to P203:

<http://www.elexon.co.uk/ChangeImplementation/modificationprocess/modificationdocumentation/modProposalView.aspx?propID=221>

It was raised on 28 November – see below P229.

BSC Modifications

New Modification Proposals:

P228 (Replace BMRS High Grade Service charge amounts/rates with references to a BSC Website schedule)

Raised by: the BSC Panel:

On: 13 November

Link:

<http://www.elexon.co.uk/ChangeImplementation/modificationprocess/modificationdocumentation/modProposalView.aspx?propID=253>

The BSC Panel has proposed that the amounts/rates for three Specified BSC Charges for use of the BMRS High Grade Service should be set out in a schedule, published by ELEXON on the BSC Website rather than being specified in the BSC itself. The amounts/rates would be approved by the Panel and any revisions would require Panel agreement and industry notification.

P229 (Introduction of a seasonal Zonal Transmission Losses scheme)

Raised by: RWE

On: 28 November

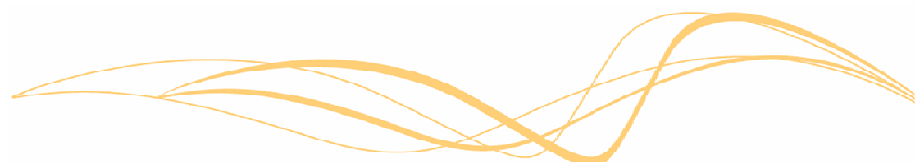
Link:

http://www.elexon.co.uk/documents/Change_and_Implementation/modifications/229/P229.pdf

As anticipated by ELEXON, RWE has raised a modification to introduce arrangements for transmission losses to be allocated between parties on a zonal basis. The modification notes that the proposal “would be based on work already completed on the previous seasonal zonal transmission losses modification (P203), which was closed on procedural grounds.

The key elements of the proposal are that:

- Seasonal Zonal Transmission Loss Factors (TLFs) would be calculated for generation and demand BMUs within a zone – “(the “applicable zone”, based on GSP Group areas with offshore nodes allocated according to which on-shore GSP Group they connect into (subject to Panel determination against specific criteria));
- the Seasonal Zonal TLFs would be determined ex ante for each of the four seasons from time and volume weighted nodal marginal values, for the applicable zone, derived from an intact network load flow model and data from a representative previous period;
- the Seasonal Zonal TLFs would be scaled; and
- there would be no change to the current overall 45:55 split between production and consumption accounts.



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Modification Decisions

P211: Main Imbalance price based on Ex-post Unconstrained Schedule **P217: Revised Tagging Process and Calculation of Cash-out Prices**

Decision P217: APPROVE Alternative
Panel Recommendation P217: approve alternative

Decision P211: REJECT
Panel Recommendation P211: reject

Decision date: 16 October
Implementation date for P217A: 5 November 2009

Link:
<http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCo de/BSC/Documents1/P217D.pdf>

The modification that has been approved (P217A) changes the way costs incurred, by the GB SO, in balancing the system are separated into “energy and “system” costs and the way the main energy imbalance prices are calculated.

The decision letter also proposes a full review of P217A, 12 months after its implementation, in November 2010.

P224 (Reactive Power Flows Associated with Exemptable Generating Plant)

Decision : REJECT
Panel Recommendation: Approve (unanimous)

Decision date: 17 October
Implementation date: n/a

Link:
<http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCo de/BSC/Documents1/P224%20D.pdf>

The Authority has rejected the proposal to change the BSC to allocate responsibility for reactive power flows between Import and Export parties at shared sites and expand the BSC definitions of Import and Export to include Active Import and Active Export and their related reactive power flows.

P223 (Changes to the Profile Administration Service (PrA))

Decision: APPROVE P223 Alternative

Panel Recommendation: approve P223 Alternative

Decision date: 17 October
Implementation date: 1 December 2009

Link:
<http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCo de/BSC/Documents1/P223D.pdf>

The modification brings BSC obligations into line with changes that have been agreed to the Profile Administrator's responsibilities and transfers the responsibility for the recruitment of customers into profiling samples, and collecting data, to suppliers.

BSC Issues

Issue 36: 'Party Failure and Default'

Raised on: 18 November
By: BSC Panel

Link:
http://www.elexon.co.uk/documents/issues/36/Issue_36_website.pdf

Following the losses that BSC Parties have been exposed to as a result of recent defaults under the BSC, the BSC Panel has raised an issue to look at the processes and timings for dealing with defaulting and failing Parties. The statement of the issue indicates that the Panel... *“is keen to understand if the industry believes there are any improvements that could reduce the potential debt”*.

CUSC Amendments

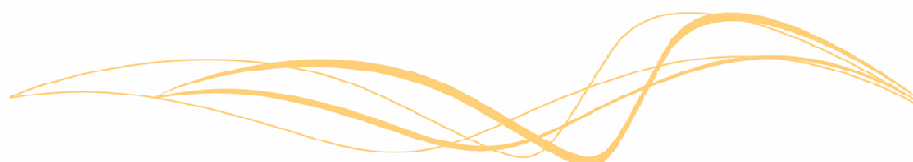
CAP Decisions

CAP131 (User Commitment for New and Existing Generators)

Decision: REJECT
Panel Recommendation: Supported 2 of the alternatives (there were 33 proposals in all including the original proposal). The preferred amendment was Working Group Alternative Amendment (WGAA) B3.

Decision date: 13 October
Implementation date: n/a

Link:
<http://www.ofgem.gov.uk/Licensing/ElecCodes/CUSC>



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[/Amend/Documents1/CAP131D.pdf](#)

The CAP and its alternatives sought to change the arrangements for calculating the security that must be provided by new and existing generators.

On process, the decision letter states....

"We are also concerned that NGET (in its roles as Chair) and the working group did not seek to analyse and reject many of these alternatives by more rigorous assessment and analysis against the relevant objectives of the CUSC and NGET's relevant licence obligations. We expect the industry to bear this in mind when considering and developing CAP161 to 166 and future CUSC amendments. It is important for the credibility of the governance arrangements and the role that NGET and the industry play in them that a more manageable number of amendments will be presented to the Authority in due course."

THE EUROPEAN UNION - ELECTRICITY INDUSTRY RELATED PRESS RELEASES (TITLES & LINKS ONLY)

Brussels, 7 October 2008.

Commissioner Dimas welcomes EP Environment Committee vote on climate—energy package

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1469&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 10 October 2008

Council deal on energy package: a crucial step towards completing the internal energy market

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1484&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 16 October 2008

Climate change: projections show EU on track to meet Kyoto emission targets

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1534&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 15 October 2008

Commissioner Piebalgs underlines the need to reinforce rules on nuclear safety

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1512&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 17 October 2008

Member States endorse Commission proposal to improve the energy performance of external power supplies

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1549&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 28th October 2008

European Commission launches new Citizens' Energy Forum to work for more choice and better deals for EU energy consumers

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1594&format=HTML&aged=0&language=EN&guiLanguage=en>

Andris Piebalgs (Energy Commissioner)

Defining Europe's energy strategy (Speech at the High-Level European Policy Summit organised by Friends of Europe Brussels, 30 October 2008)

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/08/567&format=HTML&aged=0&language=EN&guiLanguage=en>

Speech London 3 November (Andris Piebalgs)

The Commission's vision for renewables

Link:

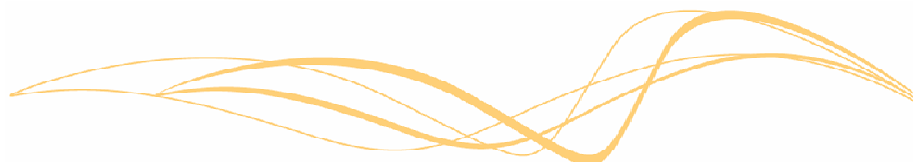
<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/08/573&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 13 November 2008

Towards secure, sustainable and competitive European energy networks

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/694&format=HTML&aged=0&language=EN&guiLanguage=en>



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Brussels, 13 November 2008
Offshore Wind Energy

Link:
<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/702&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 13 November 2008
Update to the Commission's Nuclear Illustrative Programme

Link:
<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/696&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 13 November 2008
Combined Heat and Power generation (CHP)

Link:
<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/695&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 28 November 2008
Climate change and the EU's response

Link:
<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/747&format=HTML&aged=0&language=EN&guiLanguage=en>

The European Regulators Group for Electricity and Gas (ERGEG) Press releases (titles and links only)

1 October
ERGEG and CESR advocate a tailored market abuse framework for energy markets in their advice to the Commission

Link: http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/PRESS_RELEASES/2008/PR-08-07_CESR_ERGEG_%20Market%20Abuse_Advice_01-10-08.pdf

21 October
European Energy Regulators consult on the way for 3rd package implementation

Link: http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/PRESS_RELEASES/2008/PR-08-08_Preparing_3rdPackage_Implementation_2008-10-21_.pdf

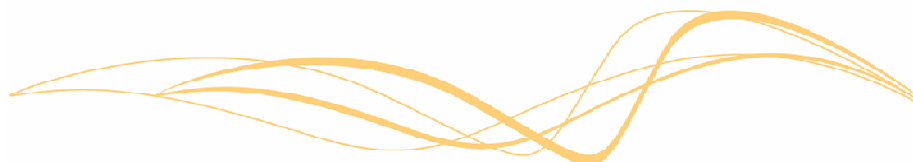
27 October
Empowering Consumers – First Citizens' Energy Forum

Link: http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/PRESS_RELEASES/2008/PR-08-09_Empowering%20Consumers-1stCEF_27-10-2008_FINAL.pdf

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IPA Energy + Water Economics, 41 Manor Place, Edinburgh EH3 7EB. Tel: +44 (0) 131 240 0840
Fax: +44 (0) 131 220 6440
Email: contact@ipaeconomics.com

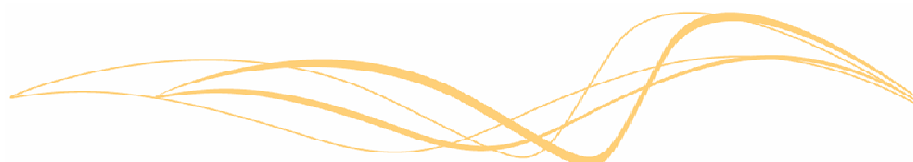


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SUMMARY OF OCTOBER AND NOVEMBER 2008 CONSULTATIONS & NEW BSC AND CUSC MODS AND DECISIONS

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 previous editions....		Issued	Response Due
BERR	<p>Title (PR): Draft criteria and process for siting potential new nuclear power stations published Title (consultation): Towards a Nuclear National Policy Statement: Consultation on the Strategic Siting Assessment Process and Siting Criteria for New Nuclear Power Stations in the UK</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=374777&NewsAreaID=2 Link to consultation and related papers: http://www.berr.gov.uk/energy/nuclear-whitepaper/consultations/page44523.html</p>	22 July	11 November
Ofgem	<p>Title: Code Governance Review: Charging methodology governance options</p> <p>Link: http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/CGR_CM_Sept_FINAL.pdf</p>	17 September	16 January 2009
<p>New in October & November (this does not include all the details of licence notices/modifications/ applications/revocations/licences granted or EU press releases or code issues)</p>			
Ofgem	<p>Title: Delivering the electricity distribution structure of charges project Statutory Consultation: Notice under section 11A(3) of the Electricity Act 1989 - Collective Licence Modification intended to deliver the structure of charges project</p> <p>Link: http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgs/Documents1/Decision%20document%201%20October%202008.pdf Link to Stat Con on licence changes: http://www.ofgem.gov.uk/Licensing/Work/Notices/ModNotice/Documents1/section%2011A%20notice%20SoC.pdf</p>	1 Oct	29 Oct



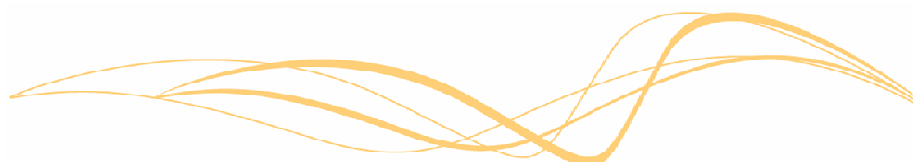
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Ofgem	<p>Title of PR: New complaint handling standards go live today Title of open letter: Decision letter - Modification of Licences and Codes to reflect the abolition of the Gas and Electricity Consumer Council (energywatch) and its replacement with the National Consumer Council</p> <p>Link: http://www.ofgem.gov.uk/Media/PressRel/Documents1/OFGEM30-011008.pdf</p> <p>Links to open letter and appendices: http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=200&refer=MARKETS/RETMKTS/COMPL/CONSREP</p>	1 Oct	n/a
Ofgem	<p>Issue /Title: National Grid's Winter Outlook Report 2008/9</p> <p>Link: http://www.ofgem.gov.uk/Markets/WhlMkts/CustandIndustry/winout2008/Documents1/081002%20Winter%20Outlook%202008%20-%20final.pdf</p> <p>Ofgem's press release can be found at: http://www.ofgem.gov.uk/Media/PressRel/Documents1/Ofgem31-021008.pdf</p>	2 Oct	n/a
DECC	<p>Title: Department of Energy and Climate Change established</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=380457&NewsAreaID=2</p>	3 Oct	n/a
Ofgem	<p>Title: Ofgem's response to the Renewable Energy Strategy</p> <p>Link: http://www.ofgem.gov.uk/Sustainability/Environment/Policy/Documents1/Renewable%20Energy%20Strategy%20response.pdf</p>	3 Oct (dated 3 Sept)	n/a
Ofgem	<p>Title: RPI-X @ 20 - Ofgem fact sheet and workshops</p> <p>Link to factsheet: http://www.ofgem.gov.uk/NETWORKS/RPI-X/Documents1/RPI-X@20ofgemupdate%20-%20glossy.pdf</p>	3 Oct	n/a
DEFRA	<p>Title: UK to issue European carbon allowances</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=380406&NewsAreaID=2</p> <p>Link to EU press release (dated 6 August): http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1246&format=HTML&aged=0&language=EN&guiLanguage=en</p>	3 Oct	n/a



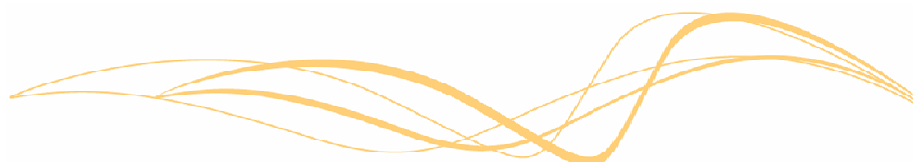
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<p>Ofgem</p>	<p>Title: Energy Supply Probe – Initial Findings Report</p> <p>Link: http://www.ofgem.gov.uk/Markets/RetMkts/ensupro/Documents1/Energy%20Supply%20Probe%20-%20Initial%20Findings%20Report.pdf Link to summary of findings: http://www.ofgem.gov.uk/Markets/RetMkts/ensupro/Documents1/Probe%20summary.pdf Link to PR (entitled: Ofgem puts industry on notice to make markets work better for all) http://www.ofgem.gov.uk/Media/PressRel/Documents1/Probe%20release%20FINAL.pdf</p>	<p>6 Oct</p>	<p>1 Dec</p>
<p>Ofgem</p>	<p>Title: Balancing and Settlement Code (BSC) modification proposals on zonal transmission losses – review of Oxera’s analysis</p> <p>Title of Brattle Report: A REVIEW OF OXERA’S COST-BENEFIT ANALYSIS OF THE INTRODUCTION OF ‘ZONAL LOSSES’</p> <p>Link to cover letter: http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCode/las/Documents1/081006_LOSSES_Open%20letter.pdf Link to Brattle report: http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCode/las/Documents1/20081002_Brattle_losses_report.pdf</p>	<p>6 Oct</p>	<p>n/a</p>
<p>Ofgem</p>	<p>Title: Offshore Electricity Transmission - Competitive Tender Process</p> <p>Link: http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Offshore%20Electricity%20Transmission%20-%20Competitive%20Tender%20Process.pdf Link to draft template prequalification document: http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Draft%20Pre-Qualification%20Document.pdf Link to Draft Template Invitation to Tender Document: http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Draft%20Invitation%20to%20Tender%20Document.pdf</p>	<p>6 Oct</p>	<p>15 Nov</p>
<p>Ofgem</p>	<p>Title: The Renewables Obligation Buy-Out Fund (2007-2008)</p> <p>Link: http://www.ofgem.gov.uk/Media/PressRel/Documents1/Ofgem33-07102008.pdf</p>	<p>7 Oct</p>	<p>n/a</p>



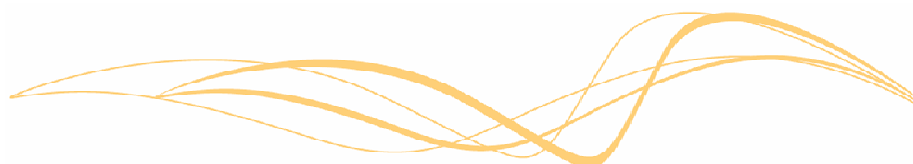
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DEFRA	<p>Title: Department for Environment, Food And Rural Affairs (National)</p> <p>Ministerial portfolios at Department for Environment, Food and Rural Affairs</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=380628&NewsAreaID=2</p>	7 Oct	n/a
BERR Committee	<p>Title: Energy prices, fuel poverty and Ofgem: Government Response to the Committee's Eleventh Report of Session 2007-08</p> <p>Link: http://www.publications.parliament.uk/pa/cm200708/cmselect/cmberr/1069/1069.pdf</p>	7 Oct	n/a
GB SO	<p>Title: BM System Replacement</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/B961884A-EC28-4771-A40F-02F254B00A18/28752/bmrepconsultationv10.pdf</p>	7 Oct	6 Nov
ELEXON	<p>Title: Increase in the Credit Assessment Price (CAP) to £108/MWh effective from 6 November 2008</p> <p>Link: http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01640.pdf</p>	9 Oct	Effective 6 Nov
BERR	<p>Title: Ministerial responsibilities announced at the Department for Business, Enterprise and Regulatory Reform</p> <p>Link: http://nds.coi.gov.uk/environment/fullDetail.asp?ReleaseID=380767&NewsAreaID=2&NavigatedFromDepartment=True See also: http://www.berr.gov.uk/aboutus/ministerialteam/page40355.html</p>	9 Oct	n/a
BERR	<p>Title: Generic Stability Analysis of the GB Electricity Transmission System in the Long Term</p> <p>Link: http://www.berr.gov.uk/files/file48400.pdf</p>	10 Oct	n/a
GB SO	<p>Title: Pre-Consultation Document GB ECM-13 For the treatment of the residual generation tariff in the calculation of Transmission Network Use of System (TNUoS) tariffs</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/D26D9CDA-6D83-4E11-894F-AAB7C9F6925F/29079/GBECM13DraftvFINAL12.pdf</p>	13 Oct	4 Dec



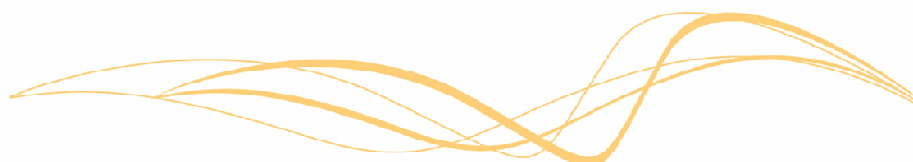
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DECC	<p>Title: Ministerial responsibilities at the Department of Energy and Climate Change</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381277&NewsAreaID=2</p>	14 Oct	n/a
GB SO	<p>Title: Consultation Document GB ECM-12 Use of System charging methodology issues relating to GB participation in the Inter TSO Compensation (ITC) mechanism</p> <p>Link: http://www.nationalgrid.com/NR/rdonlyres/9F19D119-EA32-4DCE-B4ED-988328D72C39/28977/GBECM12ITCConsultationV10.pdf</p>	14 Oct	n/a
DECC	<p>Title: UK leads world with commitment to cut emissions by 80% by 2050</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381477&NewsAreaID=2</p>	16 Oct	n/a
Ofgem	<p>Title: Connections Industry Review 2007-08</p> <p>Link: http://www.ofgem.gov.uk/Networks/Connectns/ConnIndRev/Documents1/Connections%20Industry%20Review%202007%2008.pdf</p>	16 Oct	13 Nov
EFRA Committee	<p>Title: Energy Efficiency And Fuel Poverty: Special Report</p> <p>Link: http://www.parliament.uk/parliamentary_committees/environment_food_and_rural_affairs/efra_pn63_081016.cfm</p>	16 Oct	n/a
Innovation Science and Skills Committee	<p>Title: Government Response Renewable Electricity-Generation Technologies</p> <p>Link: http://www.publications.parliament.uk/pa/cm200708/cmselect/cmdius/1063/1063.pdf</p>	16 Oct	n/a
Ofgem	<p>Title: Transmission Network Output Measures</p> <p>Link: http://www.ofgem.gov.uk/Networks/Trans/RegReporting/Documents1/Tx%20Ntwk%20Output%20Measures.pdf Links to the transmission companies' proposed methodologies and assessments by consultants, can be found at: http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=Tx%20Ntwk%20Output%20Measures.pdf&refer=Networks/Trans/RegReporting</p>	17 Oct	26 Nov



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DECC	<p>Title: Announcement of Volume of Allowances for the First UK Auction</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381652&NewsAreaID=2</p>	17 Oct	n/a
Ofgem	<p>Title: Derogation requests to facilitate earlier connection of generation - consultation on information required to facilitate Ofgem's assessment and proposed revised guidance</p> <p>Link: http://www.ofgem.gov.uk/Licensing/Work/Documents1/081021_Derogations_letter.pdf</p>	21 Oct	18 Nov
DECC	<p>Title: UK is world leader in offshore wind</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=381930&NewsAreaID=2</p>	21 Oct	n/a
ELEXON	<p>Titles: Urgent BSC Panel Meeting for Electricity 4 Business Ltd Appointment of Supplier of Last Resort for Electricity 4 Business Customers</p> <p>Link to BSC Panel resolutions: http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01649.pdf Link to circular detailing supplier of last resort: http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01650.pdf Ofgem's direction appointing BGT can be found at: http://www.ofgem.gov.uk/Licensing/Work/Revoc/Documents1/SOLR%20Direction%2023Oct2008.PDF</p>	23 Oct	n/a
ELEXON	<p>GSP Registration Consultations (Ardkinglas & Quoich)</p> <p>Link to Ardkinglas consultation: http://www.elexon.co.uk/documents/Consultations/Ardkinglas_GSP_Registration_Consultation/Consultation_for_allocation_of_the_new_Grid_Supply_Point_Ardkinglas.pdf Link to Quoich consultation: http://www.elexon.co.uk/documents/Consultations/Quoich_GSP_Registration_Consultation/Consultation_for_allocation_of_the_new_Grid_Supply_Point_Quoich.pdf</p>	23 Oct	30 Oct



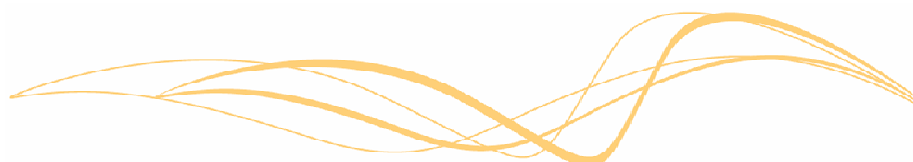
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DECC	<p>Title: UK carbon allowance registry to go back on-line and recommence processing transactions at 10:30 GMT on Monday 27 October 2008</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=382268&NewsAreaID=2</p>	24 Oct	n/a
Ofgem	<p>Title: Charging arrangements for transmission infrastructure assets local to generation connections</p> <p>Ofgem's "planned" decision date: 15 December</p> <p>Link: http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/Charging/Documents1/OCT24%20GB%20ECM11%20Impact%20Assessment.pdf</p>	24 Oct	5 Dec
HoL European Committee	<p>title: House of Lords Select Committee report on The EU's Target for Renewable Energy: 20% by 2020</p> <p>Link: http://www.publications.parliament.uk/pa/ld200708/ldselect/ldeucom/175/175.pdf</p>	24 Oct	n/a
GB SO	<p>Title: Charging Pre-Consultation Document GB ECM-14 Consequential impact of CUSC amendment proposals: CAP161 Transmission Access - System Operator Release of Short-term Entry Rights CAP162 Transmission Access - Entry Overrun CAP163 Transmission Access – Entry Capacity Sharing CAP164 Transmission Access – Connect and Manage</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/24B2D6E4-15E1-48D5-BE45-D346367EC3FE/29059/GBECM14PreconsultationCap161thru164v11.pdf</p>	Oct	14 Nov
GB SO	<p>Title: Further Consultation Document GB ECM-08 Modification proposal to the Transmission Network Use of System Charging Methodology to introduce charging arrangements associated with Offshore Transmission Networks</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/EDF97DC1-2A07-407B-80B1-DA1E9C171546/29207/GBECM08OffshoreChargingFurtherConsultation.pdf</p>	28 Oct	24 Nov



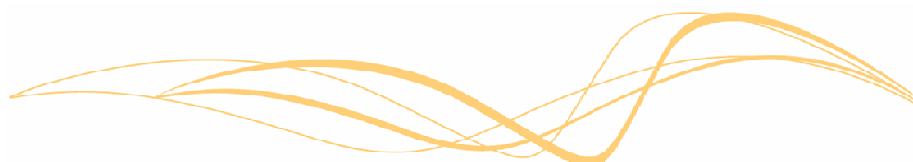
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<p>DECC/HMG</p>	<p>Energy Bill Amendments and Energy Act 2008 and Climate Change Act 2008</p> <p>Amendments to the Energy Bill (and decision on smart meter)</p> <p>Link to amendment: http://www.publications.parliament.uk:80/pa/ld200708/ldbills/086/amend/am086-a.htm</p> <p>Link to Hansard statement on smart meters (28 Oct 2008 : Column 1515): http://www.publications.parliament.uk/pa/ld200708/ldhansrd/text/81028-0008.htm</p> <p>Link to Energy Act 2008: http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga_20080032_en.pdf</p> <p>Link to Climate Change Act:</p>	<p>Amend'ts to E Bill: 29 Oct</p>	<p>Royal Assent: 26 Nov</p>
<p>GBSO</p>	<p>Title: Transmission Networks Quarterly Connections Update – October 2008</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/FCB598A1-D167-46C0-BF11-827730C3647F/29361/TNQCUCOct08v5forpublication.pdf</p>	<p>29 Oct</p>	<p>n/a</p>
<p>GB SO</p>	<p>Title: Pre-Consultation Document GB ECM-15 Long-term Fixed Transmission Network Use of System (TNUoS) Tariffs</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/68883582-3D05-4E88-9CC0-C0224339FAD2/29284/GBECM15Final.pdf</p>	<p>31 Oct</p>	<p>28 Nov</p>
<p>DECC/DEFRA</p>	<p>Title: Government's Response to Consultation on Commission's proposals to amend the EU Emissions Trading Scheme from 2013</p> <p>Link: http://www.defra.gov.uk/corporate/consult/euets-2013amendments/government-response.pdf</p>	<p>Early Nov</p>	<p>n/a</p>
<p>GB SO</p>	<p>Title: Open Letter to Industry – Offer Pricing Options</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/994E438E-507D-4976-91E5-3646B69C8355/29964/OpenlettertoIndustryOfferPriceTypes_Final.pdf</p>	<p>5 Nov</p>	<p>24 December</p>



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Ofgem	<p>Title: Update on the DPCR5 process</p> <p>Link: http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/DPCR5/Documents1/Open%20letter%20on%20%20DPCR5%20process%200051108.pdf Link to annex: http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/DPCR5/Documents1/Annex%201%20to%20Open%20letter%20on%20DPCR5%20re%20ROE%20051108%20v3.pdf</p>	6 Nov	14 Nov
GB SO	<p>Title: Pre-Consultation Document GBECM-17 Transmission Charging – A New Approach</p> <p>A proposal by: Scottish Power Scottish and Southern Scottish Renewables Forum Scottish Government</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/BFA77F25-4EE3-4D7E-9102-669C4E979B4A/29649/GBECM17TransmissionChargingANewApproach.pdf</p>	7 Nov	4 Dec
Ofgem	<p>Title: Long-Term Electricity Network Scenarios (LENS) – final report</p> <p>Link to letter: http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/lens/Documents1/081107Ofgem_letter.pdf Link to report: http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/lens/Documents1/20081107Final%20Report.pdf</p>	7 Nov	n/a
Ofgem	<p>Revised Licence fee cost recovery principles</p> <p>Link: http://www.ofgem.gov.uk/Licensing/Work/Documents1/Decision%20document%20following%20legal%20review.pdf</p>	11 Nov	n/a
Ofgem	<p>Title: The “timing-out” of Authority decisions on modification proposals</p> <p>Link: http://www.ofgem.gov.uk/Licensing/IndCodes/Governance/Documents1/Open%20letter%20on%20implications%20of%20losses%20JR%20FINAL%2020081118.pdf</p>	18 Nov	12 Jan 2009
DECC	<p>Title: UK first to auction carbon</p> <p>Link: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=384678&NewsAreaID=2</p>	19 Nov	n/a



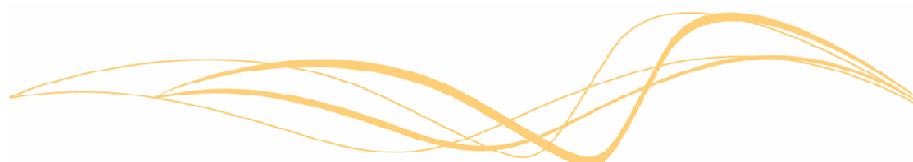
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<p>Ofgem/DEC C</p>	<p>Title: Offshore Electricity Transmission - A further Joint Ofgem/DECC Regulatory Policy Update</p> <p>Link: http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Offshore%20Electricity%20Transmission%20-%20A%20Joint%20OfgemDECC%20Regulatory%20Policy%20Update.pdf</p> <p>Links to annexes: http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%201%20Transmission%20Licence%20Standard%20Conditions.pdf http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%202%20BSC.pdf http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%203%20CUSC.pdf http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%204%20DCUSA.pdf http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%205%20Distribution%20Code.pdf http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%206%20Grid%20Code.pdf http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%207%20STC.PDF http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2008/Documents1/Annex%209%20NGET's%20Special%20Licence%20Conditions.pdf</p>	<p>20 Nov</p>	<p>9 Jan 2009</p>
<p>Ofgem</p>	<p>Title: Review of Industry Code Governance – Environment and Code Objectives</p> <p>Link: http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/open%20letter%2020%20November%20draft%20_4_.pdf</p>	<p>21 Nov</p>	<p>16 Jan 2009</p>
<p>Ofgem</p>	<p>Title: Consultation on the discount for small transmission connected generators from 31 May 2009</p> <p>Link: http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/TADG/Documents1/Small%20Generators.pdf</p>	<p>24 Nov</p>	<p>5 Jan 2009</p>
<p>DECC</p>	<p>Title: A fairer deal for energy customers</p> <p>Link to PR: http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=385248&NewsAreaID=2 Link to full text of the PBR: http://www.hm-treasury.gov.uk/prebud_pbr08_repindex.htm</p>	<p>24 Nov</p>	<p>n/a</p>



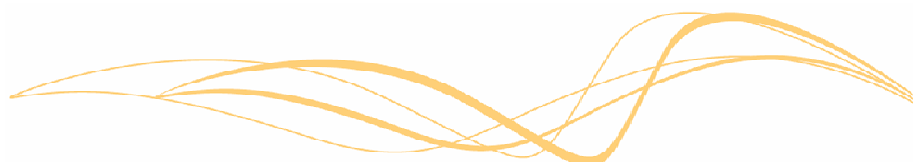
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<p>NGET</p>	<p>Title: National Grid Electricity System Operator Incentives Initial Proposals Consultation</p> <p>Link to consultation: http://www.nationalgrid.com/NR/ronlyres/7264C9C8-8DA9-4490-8E95-634B3E6894A8/30035/ElectricitySOIncentivesInitialProposalsConsultatio.pdf</p> <p>Link to appendix giving NGET's initial forecast of balancing costs: http://www.nationalgrid.com/NR/ronlyres/51113012-5979-4630-AC34-E57750E47411/30036/ElectricitySOIncentivesInitialProposalsConsultatio.pdf</p> <p>Link to appendix on historic costs: http://www.nationalgrid.com/NR/ronlyres/1C8B5245-86F7-4313-B13A-B39BFE36F9DD/30038/AppendixtoNGETSOIncentiveInitialProposals.pdf</p>	<p>27 Nov</p>	<p>9 Jan 2009</p>
<p>Ofgem</p>	<p>Title: Customer Engagement Survey</p> <p>Link: http://www.ofgem.gov.uk/Consumers/CF/Documents1/Customer_Engagement_Survey_FINAL1.pdf</p>	<p>28 Nov</p>	<p>n/a</p>
<p>Ofgem</p>	<p>Title: Ofgem Research on Consumers' Views of Issues in the Small Business Energy Supply Market</p> <p>Link: http://www.ofgem.gov.uk/Consumers/CF/Documents1/small%20business.pdf</p>	<p>28 Nov</p>	<p>n/a</p>
<p>Ofgem</p>	<p>Title: Ofgem Research on Non-Vulnerable Consumers' Engagement with the Energy Market</p> <p>Link: http://www.ofgem.gov.uk/Consumers/CF/Documents1/non%20vulnerable.pdf</p>	<p>28 Nov</p>	<p>n/a</p>



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BSC Decisions		On:	Imp date:
P211 & P217	<p>Main Imbalance price based on Ex-post Unconstrained Schedule Revised Tagging Process and Calculation of Cash-out Prices</p> <p>Decision P217: APPROVE Alternative Panel Recommendation P217: approve alternative</p> <p>Decision P211: REJECT Panel Recommendation P211: reject</p> <p>Link: http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCCode/BSC/Documents1/P217D.pdf</p>	16 Oct	P217A 5 Nov 2009
P244	<p>Reactive Power Flows Associated with Exemptable Generating Plant</p> <p>Decision : REJECT Panel Recommendation: Approve (unanimous)</p> <p>Link: http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCCode/BSC/Documents1/P224%20D.pdf</p>	17 Oct	n/a
P233	<p>Changes to the Profile Administration Service (PrA)</p> <p>Decision: APPROVE P223 Alternative Panel Recommendation: approve P223 Alternative</p> <p>Link: http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCCode/BSC/Documents1/P223D.pdf</p>	17 Oct	1 Dec
New BSC Mods			
P228	<p>Replace BMRS High Grade Service charge amounts/rates with references to a BSC Website schedule</p> <p>Link: http://www.elexon.co.uk/ChangeImplementation/modificationprocess/modificationdocumentation/modProposalView.aspx?propID=253</p>	BSC Panel	13 November
P229	<p>Introduction of a seasonal Zonal Transmission Losses scheme</p> <p>Link: http://www.elexon.co.uk/documents/Change_and_Implementation/modifications/229/P229.pdf</p>	RWE	28 November



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CUSC Decisions		On:	Imp date:
CAP 131	<p>User Commitment for New and Existing Generators</p> <p>Decision: REJECT Panel Recommendation: Supported 2 of the alternatives (there were 33 proposals in all including the original proposal). The preferred amendment was Working Group Alternative Amendment (WGAA) B3.</p> <p>Link: http://www.ofgem.gov.uk/Licensing/ElecCodes/CUSC/Amend/Documents1/CAP131D.pdf</p>	13 Oct	n/a

