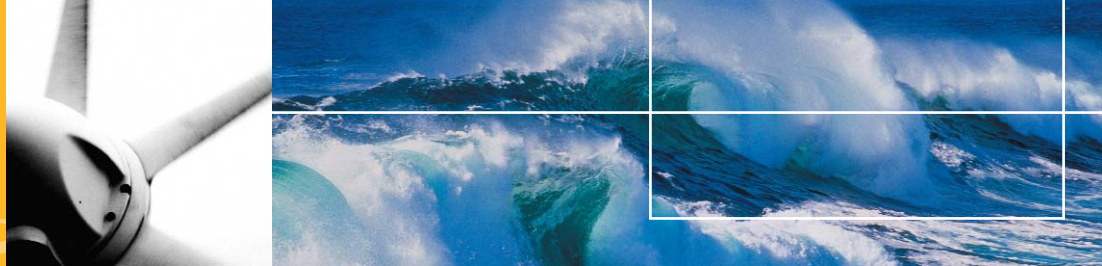


IPA MONTHLY BRIEFING PAPER  
AUGUST 2007



# The Pace of Change in Great Britain

AN UPDATE FROM IPA ENERGY + WATER CONSULTING

Inside...

- Supplier Guidance for Carbon Emissions Reduction Targets 2008 - 2011
- Ofgem's Five Year Strategy
- The Renewables Obligation - 1 April 2006 to 31 March 2007
- A Call for Evidence for a Review of Transmission Access
- NAO Review on: The Climate Change Levy and Climate Change Agreements

# The Pace of Change in Great Britain

This newsletter provides a brief update of the key wholesale electricity market design changes currently being progressed within Great Britain, focusing on August 2007.

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

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

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

## HEADLINES

- Suppliers Guidance for Carbon Emissions Reduction Targets 2008 – 2011
- Ofgem's Five Year Strategy
- The Renewables Obligation - 1 April 2006 to 31 March 2007
- A Call for Evidence for a Review of Transmission Access
- NAO Review on: The Climate Change Levy and Climate Change Agreements



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## Ofgem Issues and Consultations

**Issue:** Open letter on the possibility of a review of P2/6

**Title:** Electricity Distribution Network Planning – Engineering Recommendation P2/6

Issued: 1 August  
Response due: 21 September  
Ofgem Workshop: 14 September

Link to:

[http://www.ofgem.gov.uk/Networks/Techn/TechStandds/Documents1/P2\\_6%20review%20open%20letter%20-%201%20August.pdf](http://www.ofgem.gov.uk/Networks/Techn/TechStandds/Documents1/P2_6%20review%20open%20letter%20-%201%20August.pdf)

Link to KEMA/IC report:

[http://www.ofgem.gov.uk/Networks/Techn/TechStandds/Documents1/KEMA\\_Imperial\\_D\\_Planning\\_Review\\_Final.pdf](http://www.ofgem.gov.uk/Networks/Techn/TechStandds/Documents1/KEMA_Imperial_D_Planning_Review_Final.pdf)

Ofgem has published an open letter seeking views on potential issues with engineering recommendation P2/6, and the associated licence condition, including seeking views on whether there is a need to initiate a review of ER P2/6. The open letter is accompanied by a report, on a preliminary review of ER P2/6, by KEMA and Imperial College (KEMA/IC).

**Issue:** Consultation on Ofgem's administration procedures for CERT

**Title:** Carbon Emissions Reduction Target (CERT) 2008 – 2011 Supplier Guidance

Issued: 1 August  
Response due: 14 September

Link to consultation:

<http://www.ofgem.gov.uk/Sustainability/Environmnt/EnergyEff/Documents1/CERT%202008-2011%20Supplier%20guidance.pdf>

Ofgem is consulting on its draft proposals for discharging its administrative obligations under CERT (previously EEC).

**Issue:** Ofgem's annual report to the Secretary of State for Environment and Rural Affairs on Suppliers' progress towards meeting their EEC targets.

**Title:** A review of the second year of the EEC

2005-2008

Issued: 1 August  
Response due: n/a

Link to report:

<http://www.ofgem.gov.uk/Sustainability/Environmnt/EnergyEff/Documents1/19%20A%20review%20of%20the%20second%20year%20of%20the%20EEC%202005%202008.pdf>

Ofgem has published its annual review of Suppliers' performance against their Energy Efficiency Commitment obligations. The report indicates that, in aggregate, suppliers had already met 93% of the three year target by the end of year two with 45% of measures being implemented within the Priority Group. Most suppliers had already met their Non Priority Group obligation by the end of 2006/7 and two had exceeded both their Non Priority Group and Priority Group obligations.

**Issue:** Publication of new guidance document on applying for gas and electricity licences

**Title:** Decision Letter: Gas and Electricity Licence Applications and Guidance Document

Issued: 2 August  
Response due: n/a

Link to:

<http://www.ofgem.gov.uk/Licensing/Work/Documents1/decision%20letter.pdf>

Link to Guidance document (which includes new regs in appendix 2):

<http://www.ofgem.gov.uk/Licensing/Work/Documents1/Guidance.pdf>

Ofgem has published an open letter covering the electricity licence Applications Regulations (which have been repealed and replaced with new regulations) and the publication of a final revised version of Ofgem's Guidance Document on licence applications.

**Issue:** MORI survey of consumer awareness of suppliers' Corporate Social Responsibility (CSR) initiatives

**Title:** Consumer awareness of suppliers' CSR initiatives - 205/07

Issued: 6 August



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Response due: n/a

Link:

<http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Consumer%20awareness%20of%20suppliers%20CSR%20initiatives.pdf>

Ofgem has published a report, undertaken on its behalf by MORI, into consumer awareness of suppliers' Corporate Social Responsibility (CSR) initiatives using face to face interviews.

**Issue: Review of what suppliers do, on a voluntary basis, to help vulnerable customers**

**Title: Review of suppliers' voluntary initiatives to help vulnerable customers**

Issued: 6 August

Response due: n/a

Link to:

<http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Review%20of%20suppliers%20voluntary%20initiatives.pdf>

Ofgem has published the results of a review of actions by suppliers, which go beyond their regulatory obligations, to help vulnerable and fuel poor customers looking, in particular, at their social tariffs, rebates and trust fund arrangements.

**Issue: Open letter kicking off the development of Ofgem's next 5 year plan.**

**Title: Ofgem's Five Year Strategy 2008-2013**

Issued: 6 August

Response due: 24 September

Link to:

<http://www.ofgem.gov.uk/About%20us/BetterReg/Documents1/Corporate%20Strategy%202008-2013.pdf>

Ofgem has published an open letter inviting views on Ofgem's strategy and priorities for the period 2008 – 2013 to inform the development of the next version of Ofgem's five year strategy. The final document is to be published in March 2008.

**Issue/Title: Review of Electricity and Gas System Operator Role, Functions and Incentives: Initial Thoughts**

Issued: 8 August

Response due: 28 September

Link to:

[http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=July\\_initial\\_thoughts\\_document\\_-\\_070731.pdf&refer=Markets/WhlMkts/EffSystemOps/SystOpIncent](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=July_initial_thoughts_document_-_070731.pdf&refer=Markets/WhlMkts/EffSystemOps/SystOpIncent)

Ofgem has issued a consultation on initial thoughts on the appropriate activities and incentives for both the gas and electricity system operators (SOs); the consultation follows the open letter inviting views that was published in May.

The consultation seeks views on all aspects of the gas and electricity SO activities as well as on the incentives arrangements and goes on to note that it will not be able to complete the full review in time for 1 April 2008. Therefore, Ofgem propose to split the work in two so that the new incentives can be implemented by 1 April 2008 with the objective that other aspects of the work will be concluded in time for implementation in April 2009.

**Issue: Formal notification of changes to EdF's and CE Electric's price control formulas covering legacy basic meter asset provision.**

**Titles:**

**CE Electric UK - Notice of Determination of Adjustment Factor**

**Notice of Determination of Adjustment Factor for EDF Energy Networks (EPN) plc**

Issued: 8 & 20 August

Response due: n/a

Link to CE notice:

[http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/Approval%20Letter%20\(2\).pdf](http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/Approval%20Letter%20(2).pdf)

Link to EdF notice:

[http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/EDF%20Approval%20Letter%20\(2\).pdf](http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/EDF%20Approval%20Letter%20(2).pdf)

Ofgem has published the letter to CE Electric UK, in respect of Yorkshire Electric's licence giving its decision on an adjustment factor within the price control that relates to the recovery of (token prepayment meter) stranded asset costs within its distribution area.



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**Issue/Title: Open Letter: Token PPMs customer & debt build up April to June 2007**

Issued: 9 August  
Response due: n/a

Link to open letter:  
<http://www.ofgem.gov.uk/Sustainability/SocAction/Publications/Documents1/Token%20PPMs%20%20April%20May%20June%2007%20Update.pdf>

As part of the on-going work on problems associated with recalibrating pre-payment meters Ofgem has published a further three months review of Suppliers' actions to tackle this issue covering April – June of this year.

In light of performance Ofgem state that...

*“Overall, we are pleased that suppliers are continuing to put the necessary focus on this issue in line with the commitments given. In light of this, we are currently considering future monitoring and reporting requirements from suppliers' on their progress in this area.”*

**Issue: The size of the 2006/7 Renewables Obligation**

**Title: Renewables Obligation - 1 April 2006 to 31 March 2007**

Issued: 10 August  
Response due: n/a

Link to press release:  
<http://www.ofgem.gov.uk/Media/PressRel/Documents1/ofgem36.pdf>

Ofgem has published a press release specifying the total size of the Renewables Obligation for 2006/7. The UK total is 21,629,676 megawatt hours (MWh), split between England and Wales (19,390,016 MWh), Scotland (2,022,791 MWh), and Northern Ireland (216,869 MWh).

**Issue: Statutory consultation on licence changes to allow work on the B5 Boundary to be progressed independently of the Beaulieu-Denny project.**

**Title: Boundary B5 Section 11 Consultation**

Issued: 13 August  
Response due: 10 September

Link to formal consultation:  
[http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/TIRG/Documents1/070813\\_Ex\\_Boundary%20B5%20Section%2011\\_FINAL.pdf](http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/TIRG/Documents1/070813_Ex_Boundary%20B5%20Section%2011_FINAL.pdf)

Ofgem has published a statutory consultation (under section 11 of the Electricity Act) on the legal text of licence changes to allow certain transmission works on Scottish Power's network (B5 Boundary Works) to be progressed independently of the work on the Beaulieu-Denny project.

**Issue/Title: Transmission Access Review – A Call for Evidence for a Review of Transmission Access**

Issued: 16 August  
Response due: 27 September

Link to:  
[http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/tar/Documents1/070816\\_Ex\\_TAR%20Call%20for%20Evidence\\_FINAL.pdf](http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/tar/Documents1/070816_Ex_TAR%20Call%20for%20Evidence_FINAL.pdf)

Ofgem and DBERR have launched a joint consultation/call for evidence on reform of the transmission access regime with the objective of ensuring that the arrangements remain fit for purpose, to 2020, as the proportion of renewable (dispersed and intermittent) generation on the network grows.

The review is part of the package of proposals set out in the recent Energy White Paper and is driven by concerns about the current delays faced by many renewable generators in gaining access to the network and the effect of these delays on Government's environmental objectives for renewable power. Nevertheless, the document makes it clear that the proposals arising out of the review will need to be consistent with Government's energy policy goals and will “recognise” Ofgem's statutory duties with the primary duty being to protect the interests of customers.

The anticipated overall timetable for the review is:

**Sept 2007** – progress report to the Secretary of State on the work of STAG (short term access governance workstream);

**Dec 2007** - interim report on discussions of the TAR



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(transmission access review project) with preliminary views on models and the case for legislative changes; and

**May 2008** – final report with recommendations for change and implementation proposals.

The document provides an overview of the current access arrangements and notes and/or provides a brief summary of the work of a number of existing workstreams that are already engaged in work on various aspects of access reform including:

- work of STAG and NGET on improving short term access and managing the GB queue;
- various CUSC amendment proposals (in particular, CAPs 131, 143, 148 and 149 – the first two of which are with Ofgem for decision);
- the review of the GB SQSS (GB Security and Quality of Supply Standards);
- a new joint (Ofgem/BERR) consultation/review of the System Operator role;
- the work of the ARODG (access reform options development group); and
- various models developed by the TASG (Transmission Access Steering Group – established under CUSC governance).

The call for evidence sets out the proposed success criteria, suggests 3 possible models, and invites suggestions for other approaches. The three models are:

## Model A – Incremental changes

Essentially, as the name suggests, evolution of the current framework according to strategic direction given by Ofgem/Government. The discussion on this approach refers, amongst other things, to Ofgem's comment that it may be inappropriate for TEC holders to consider they hold an enduring property right to use the transmission system. There is also reference to "slow and rigid governance mechanisms" and that it may be appropriate to consider whether improvements could be made to the current industry processes.

## Model B – Connect and manage

Essentially, allowing connection at the point that local connection works are completed and managing the impact of any time lag between this and the completion of any wider reinforcements that may be required leading to quicker connections but higher constraint costs. The model includes a sub-option (Model B(i))

which includes establishing technology specific administered constraint costs.

## Model C – Auction Capacity

Model C encompasses a range of possible approaches which involve auctioning capacity; three sub options are suggested:

- Model C(i) - Auction capacity in constrained zones – new and existing
- Model C(ii) - Auction capacity in constrained zones – incremental only
- Model C(iii) - Overrun Auctioning available capacity (payment for exceeding TEC holding).

The review also considers improving delivery and operation of infrastructure and incentivising the efficient use of infrastructure. The section on incentivising efficient use of the system discusses the incentives that may exist in the presence of a constraint where constraint costs are not cost reflective and indicates that the review will consider whether the current basis for determining constraint costs will remain appropriate.

**Issue: Changes to UUs connection charging methodology to introduce payments for newly adopted connection assets**

**Title: Consultation on UU/2008/002.1: Proposal to introduce payments for the adoption of connection assets**

Issued: 17 August

Response due: 28 September

Link to:

<http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgMods/Documents/1/213.07%20-%20Consultation%20on%20UU.2008.002.1%20proposal%20to%20introduce%20payments%20for%20the%20adoption%20of%20connection%20assets.pdf>

Ofgem has issued an open letter consulting on proposals by United Utilities (UU) to make changes to its connection charging methodology to introduce payments for the adoption of newly installed connection assets. UU is the first ex-PES distributor to propose introduction of adoption payment since April 2005.

**Issue: Publication of data on connection performance**



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Title: **Connections Industry Review 2006-07**

Issued: 20 August  
Response due: 31 October

Link to:  
<http://www.ofgem.gov.uk/Networks/Connectns/ConnIndRev/Documents1/Connections%20Industry%20Review%202006-07.pdf>

Ofgem has published its Connections Industry Review for 2006-07, which presents data on the volume, value and characteristics of connections to licensed gas and electricity networks between April 2006 and 31 March 2007 with the objective of highlighting trends in the market for connections and monitoring the development of competition.

## NOTICES OF ELECTRICITY LICENCES APPLIED FOR IN AUGUST

Company / Licence: **Bridestones Developments Limited**/electricity generation licence

Notice issued/licence applied for: 28 August

Link:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=158&refer=Licensing/Work/Notices/AppNotices>

## NOTICES OF ELECTRICITY LICENCES GRANTED

Company / Licence: **Blizzard Utilities Limited** /Non domestic supply licence

Notice issued: 2 August  
Effective from: 25 July 2007

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

Company/Licence: **Deeside Power Limited** /generation Licence

Notice issued: 2 August  
Effective from: 30 July 2007

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

## NOTICES OF ELECTRICITY LICENCES REVOKED

Company/Licence: **Npower Cogen Trading Limited** / Supply Licence  
Revoked at request of licensee (letter dated 22 June).

Notice issued: 7 August  
Effective from: 7 September

Link:  
<http://www.ofgem.gov.uk/Licensing/Work/Notices/RevocationNotice/Documents1/Npower%20Cogen%20Trading%20revocation.pdf>

## GOVERNMENT AND OTHER BODIES

### DBERR

Issue/Title: **Energy billing and metering: changing customer behaviour - a consultation on policies presented in the Energy White Paper**

Issued: 3 August  
Response due: 31 October

Link to: <http://www.berr.gov.uk/files/file40456.pdf>

DBERR has published a consultation on taking forward billing and metering proposals, set out in the Energy White paper, that give customers additional information to help them reduce their energy consumption. The proposals cover promoting awareness of domestic energy use through a requirement on energy suppliers to:

- “present consumption data, preferably in graphical form, on consumers’ bills to allow consumers to compare different periods of energy consumption”;
- “provide real time display units to certain customers so that they can see in real time and in a way relevant to them how much electricity they are consuming”; and
- “to require the installation of smart meters for business customers above a certain energy usage threshold, where it has been proven to be cost-effective”.

The accompanying press release can be found at:  
<http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=305101&NewsAreaID=2>



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**Issue:** Consultation on changes to the arrangements governing exemption from rota disconnection provisions

**Title:** Electricity Priority User Arrangements

Issued: 20 August  
Response due: 23 November

Link to: <http://www.berr.gov.uk/files/file40466.pdf>

DBERR has issued a consultation document seeking views on priority user arrangements during an electricity supply emergency.

The electricity priority user arrangements allow certain consumers to be exempt from rationing arrangements (rota disconnections) in the event of a national or regional emergency where electricity supplies are affected over a period of days or longer.

DBERR is consulting on changes “to ensure that protection is better concentrated on those sites where the loss of electricity could have a significant impact on public health and safety”, such that electricity companies would be able to focus their efforts in an emergency on protecting those sites.

DBERR is also proposing to simplify and standardise the application process, introduce processes for the maintenance and regular review of list entries, and clarify roles and responsibilities.

In addition to seeking views on proposals to change the current arrangements, the consultation states that it is also intended to raise the profile of the issue and give consumers information to allow them to decide whether to take action to protect against the impact of power supply failures.

**Issue:** Government report, required under the Climate Change and Sustainable Energy Act, on the potential for dynamic demand technologies

**Title:** Could clever kitchens help in the fight against climate change?

**Dynamic Demand - Government Response to Clause 18 of the Climate Change and Sustainable Energy Act**

Issued: 20 August  
Response due: n/a

Link to:

<http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=308735&NewsAreaID=2>

Link to report: <http://www.berr.gov.uk/files/file41011.pdf>

DBERR has issued a press release to accompany the publication of its report on the potential for dynamic demand technologies (installations, such as fridges and freezers that alter consumption in response to changes in system frequency and so help with network management). The report states that the “Secretary of State supports the further development of the technology and work to fully quantify the extent to which it can contribute to the Government’s energy policy goals” but that “it would not be appropriate to take any steps to promote the technology until such time as the results from this work have been concluded and evaluated”.

A further report is planned for summer 2008.

**Issue:** S36 consent for an 800MW CCGT at Uskmouth, Newport, South Wales

**Title:** Go-ahead for gas fired power station, Newport, South Wales

Issued: 21 August  
Response due: n/a

Link to press release:

<http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=308874&NewsAreaID=2>

DBERR has issued a press release on the grant of S36 consent to Severn Power Ltd to construct an 800MW Combined Cycle Gas Turbine (CCGT) power station at Uskmouth.

**Issue:** Consultation on the inclusion of the electricity Distribution Connection and Use of System Agreement and the independent Gas Transporters Uniform Network Code within the scope of the Competition Commission Appeals mechanism

**Title:** Consultation on proposals to include new industry documents within the scope of the appeals mechanism

Issued: 24 August  
Response due: 21 October



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Link to:

<http://www.dti.gov.uk/consultations/page40966.html>

DBERR is consulting on including two new documents, the electricity Distribution Connection and Use of System Agreement and the independent Gas Transporters

Uniform Network Code, within the scope of the Code decision appeals mechanism.

The Draft Amendment Order excludes GEMA decisions, on these codes, from the right to appeal where GEMA agrees with a recommendation by the parties to the DCUSA or with a majority recommendation of the iGT Modification Panel.

## DEFRA

**Issue: Consultation on UK measures to implement the requirements of the Energy End-Use Efficiency and Energy Services Directive**

**Title: Consultation on Energy End-Use Efficiency and Energy Services Directive 2006/32/EC**

Issued: 3 August

Response due: 26 October

Link to:

<http://www.defra.gov.uk/corporate/consult/energyservices/index.htm>

DEFRA is consulting on the implementation on the EU directive (Directive 2006/32/EC) on Energy End-Use Efficiency and Energy Services. The consultation considers how existing UK arrangements meet the Directive's requirements and seeks to identify policies to fill compliance gaps.

Separate Impact assessments are included for net-bound and non net bound supplies.

## ENVIRONMENTAL AUDIT COMMITTEE /NATIONAL AUDIT OFFICE

**Issue/Title: NEW INQUIRY Reducing carbon emissions from UK business: The role of the Climate Change Levy and Agreements**

**Review from the NAO on: The Climate Change Levy and Climate Change Agreements**

Issued: 30 August

Response due: written evidence is requested by 28 September

Link to press release:

[http://www.parliament.uk/parliamentary\\_committees/environmental\\_audit\\_committee/eac300807.cfm](http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac300807.cfm)

Link to NAO review:

[http://www.nao.org.uk/publications/nao\\_reports/06-07/climate\\_change\\_review.pdf](http://www.nao.org.uk/publications/nao_reports/06-07/climate_change_review.pdf)

The EAC has announced a new inquiry into the roles played by the Climate Change Levy (CCL) and Climate Change Agreements (CCA) in reducing carbon emissions and energy use by the UK business sector.

The press release states that the inquiry will:

- review the effectiveness of the Climate Change Levy and Agreements in increasing energy efficiency and reducing carbon emissions;
- examine how they fit together with other policy measures, such as the EU Emissions Trading Scheme and the proposed Carbon Reduction Commitment;
- analyse their economic impacts on the businesses subject to them, and the wider economy; and
- consider whether and how they might be improved.

The inquiry notice is published at the same time as a review from the NAO, undertaken on behalf of the Committee, on the climate change levy and climate change agreements.

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

Brussels, 4 June 2007

**Emissions trading: Commission adopts decision on Finland's national allocation plan for 2008-2012**

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/749&format=HTML&aged=0&language=EN&guiLanguage=en>

Brussels, 31 August 2007

**Emissions trading: Commission today adopted decision on Danish national allocation plan for 2008-2012**

Link:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1274&format=HTML&aged=0&language=EN>



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## THE BSC AND CUSC

### BSC – joiners and leavers in August

#### Joiners ....

**APX Commodities Limited (Party ID: APXCOMM)** as a Non-Physical Trader  
**SSE (Ireland) Limited (Party ID: SSEIRE)** as a Non-Physical Trader and an Interconnector User  
**Deeside Power Limited** as a Generator

#### Leavers....

**EDF Generation (Party ID: EDFGEN01)**  
**SSE Energy Limited (Party ID: HELE)**

### BSC Mod Decisions

- **P207** (Introduction of a new governance regime to allow a risk based Performance Assurance Framework (PAF) to be utilised and reinforce the effectiveness of the current PAF)

Decision: APPROVE

Panel Recommendation: Approve

Date of decision: 10 July 2007

Implementation date: 10 September 2007

Link to decision:

<http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCod e/BSC/Documents1/P207D.pdf>

The approved modification will introduce a more flexible, risk based, Performance Assurance Framework (PAF).

### BSC Issues

#### Issue 29 (Profile Administration (PrA) Model)

Issue 29 deals with a number of issues associated with the profile administration model (including data collection issues, lack of diversity and regional coverage for potential PrA sample participants) and it is suggested that a new model may be required to resolve them. The paper accompanying the issue suggests a 'Straw Man' to test the feasibility and desirability of an alternative PrA Model.

## CUSC

### CUSC Amendment Proposals

#### New CAPs

#### **CAP158: Provision of interim response volume information**

Submitted by: National Grid

The CAP is seeking to improve information for market participants prior to submitting monthly prices by extending the current information arrangements for providing mandatory frequency response volume data through changes to CUSC clause 4.1.3.13A.

## IPA NEWS

IPA has recently launched its Power Review Service, providing a comprehensive analysis of 2006-07 electricity market activity. Data is provided on a system, company and station basis for all the major power market players, encompassing

- supply & demand;
- generation operation & reliability;
- portfolio operation;
- market prices; and
- balancing mechanism operation, prices and revenues.

A sample of the output can be viewed at IPA's website at <http://www.ipaenergy.co.uk/powerreview.htm>

For further information, or to order your copy, please contact [Michael Wagner](#).

The August 07 Power UK Generation Feature, "Decision Time For Carbon Capture?", has been provided by IPA's Michael Wagner and Alice Waltham, and argues that serious thought should be given to backing the carbon capture and storage (CCS) option. This can be viewed on the IPA website at :

[http://www.ipaenergy.co.uk/downloads&publications/P U\\_20070830\\_Cleancoal.pdf](http://www.ipaenergy.co.uk/downloads&publications/P U_20070830_Cleancoal.pdf)



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## DISCLAIMER

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

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## SUMMARY OF AUGUST 2007 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.

		Issued	Response Due
DTI	<p><b>Title: The future of nuclear power: the role of nuclear power in a low carbon UK economy</b></p> <p>Link:  <a href="http://www.dti.gov.uk/consultations/page39704.html">http://www.dti.gov.uk/consultations/page39704.html</a></p>	23 May	<b>10 October</b>
DTI	<p><b>Title: Renewable Energy: Reform of the Renewables Obligation</b></p> <p>Link:  <a href="http://www.dti.gov.uk/consultations/page39586.html">http://www.dti.gov.uk/consultations/page39586.html</a></p>	23 May	<b>6 September</b>
DEFRA	<p><b>Title: Pearson sets out future carbon cutting role for energy companies/ The Household Energy Supplier Obligation from 2011: A call for evidence</b></p> <p>Link to PR:  <a href="http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=291462&amp;NewsAreaID=2">http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=291462&amp;NewsAreaID=2</a>            Link to call for evidence:  <a href="http://www.defra.gov.uk/environment/climatechange/uk/household/supplier/index.htm">http://www.defra.gov.uk/environment/climatechange/uk/household/supplier/index.htm</a></p>	13 June	<b>14 September</b>
Defra	<p><b>Title: Consultation on the implementation proposals of the Carbon Reduction Commitment (CRC)</b></p> <p>Link: <a href="http://www.defra.gov.uk/corporate/consult/carbon-reduc/index.htm">http://www.defra.gov.uk/corporate/consult/carbon-reduc/index.htm</a></p>	26 June	<b>19 October</b>
Ofgem	<p><b>Title: Proposed Enforcement Guidelines on Complaints and Investigations</b></p> <p>Link:  <a href="http://www.ofgem.gov.uk/About%20us/enforcement/Documents1/Enforcement%20Guidelines.pdf">http://www.ofgem.gov.uk/About%20us/enforcement/Documents1/Enforcement%20Guidelines.pdf</a></p>	26 June	<b>23 September</b>
Ofgem	<p><b>Title: Offshore Electricity Transmission – A Joint Ofgem/BERR Policy Statement</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Networks/Trans/Offshore/ConsultationDecisionsResponses/Documents1/Offshore%20Policy%20statement%20FINAL.pdf">http://www.ofgem.gov.uk/Networks/Trans/Offshore/ConsultationDecisionsResponses/Documents1/Offshore%20Policy%20statement%20FINAL.pdf</a></p>	25 July	<b>5 September</b>



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<b>Ofgem</b>	<p><b>Title: Modifying the arrangements for the use of objections in the non-domestic market for gas and electricity supply</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Markets/RetMkts/Compl/CustTransf/Documents1/non%20domestic%20objections.pdf">http://www.ofgem.gov.uk/Markets/RetMkts/Compl/CustTransf/Documents1/non%20domestic%20objections.pdf</a></p>	27 July	<b>7 September</b>
<p><b>New in August ...</b>  <b>(this does not include all the details of licence notices/modifications/ applications/revocations/licences granted or EU press releases or code issues)</b></p>			
<b>Ofgem</b>	<p><b>Title: Electricity Distribution Network Planning – Engineering Recommendation P2/6</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Networks/Techn/TechStandards/Documents1/P2_6%20review%20open%20letter%20-%201%20August.pdf">http://www.ofgem.gov.uk/Networks/Techn/TechStandards/Documents1/P2_6%20review%20open%20letter%20-%201%20August.pdf</a>            Link to KEMA/IC report:  <a href="http://www.ofgem.gov.uk/Networks/Techn/TechStandards/Documents1/KEMA_Imperial_D_Planning_Review_Final.pdf">http://www.ofgem.gov.uk/Networks/Techn/TechStandards/Documents1/KEMA_Imperial_D_Planning_Review_Final.pdf</a></p>	1 August	<b>21 Sept</b>
<b>Ofgem</b>	<p><b>Title: Carbon Emissions Reduction Target (CERT) 2008 – 2011 Supplier Guidance</b></p> <p>Link to consultation:  <a href="http://www.ofgem.gov.uk/Sustainability/Environmnt/EnergyEff/Documents1/CERT%202008-2011%20Supplier%20guidance.pdf">http://www.ofgem.gov.uk/Sustainability/Environmnt/EnergyEff/Documents1/CERT%202008-2011%20Supplier%20guidance.pdf</a></p>	1 August	<b>14 Sept</b>
<b>Ofgem</b>	<p><b>Title: A review of the second year of the EEC 2005-2008</b></p> <p>Link to report:  <a href="http://www.ofgem.gov.uk/Sustainability/Environmnt/EnergyEff/Documents1/19%20A%20review%20of%20the%20second%20year%20of%20the%20EEC%202005%202008.pdf">http://www.ofgem.gov.uk/Sustainability/Environmnt/EnergyEff/Documents1/19%20A%20review%20of%20the%20second%20year%20of%20the%20EEC%202005%202008.pdf</a></p>	1 August	<b>n/a</b>
<b>Ofgem</b>	<p><b>Title: Decision Letter: Gas and Electricity Licence Applications and Guidance Document</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Licensing/Work/Documents1/decision%20letter.pdf">http://www.ofgem.gov.uk/Licensing/Work/Documents1/decision%20letter.pdf</a>            Link to Guidance document (which includes new regs in appendix 2):  <a href="http://www.ofgem.gov.uk/Licensing/Work/Documents1/Guidance.pdf">http://www.ofgem.gov.uk/Licensing/Work/Documents1/Guidance.pdf</a></p>	2 August	<b>n/a</b>
<b>DBERR</b>	<p><b>Title: Energy billing and metering: changing customer behaviour - a consultation on policies presented in the Energy White Paper</b></p> <p>Link to: <a href="http://www.berr.gov.uk/files/file40456.pdf">http://www.berr.gov.uk/files/file40456.pdf</a></p>	3 August	<b>31 October</b>



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<b>DEFRA</b>	<p><b>Title: Consultation on Energy End-Use Efficiency and Energy Services Directive 2006/32/EC</b></p> <p>Link to:  <a href="http://www.defra.gov.uk/corporate/consult/energyservices/index.htm">http://www.defra.gov.uk/corporate/consult/energyservices/index.htm</a></p>	3 August	<b>26 October</b>
<b>Ofgem</b>	<p><b>Title: Consumer awareness of suppliers' CSR initiatives</b></p> <p>Link:  <a href="http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Consumer%20awareness%20of%20suppliers%20CSR%20initiatives.pdf">http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Consumer%20awareness%20of%20suppliers%20CSR%20initiatives.pdf</a></p>	6 August	<b>n/a</b>
<b>Ofgem</b>	<p><b>Title: Review of suppliers' voluntary initiatives to help vulnerable customers</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Review%20of%20suppliers%20voluntary%20initiatives.pdf">http://www.ofgem.gov.uk/Sustainability/SocAction/Suppliers/CSR/Documents1/Review%20of%20suppliers%20voluntary%20initiatives.pdf</a></p>	6 August	<b>n/a</b>
<b>Ofgem</b>	<p><b>Title: Ofgem's Five Year Strategy 2008-2013</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/About%20us/BetterReg/Documents1/Corporate%20Strategy%202008-2013.pdf">http://www.ofgem.gov.uk/About%20us/BetterReg/Documents1/Corporate%20Strategy%202008-2013.pdf</a></p>	6 August	<b>24 Sept</b>
<b>Ofgem</b>	<p><b>Title: Review of Electricity and Gas System Operator Role, Functions and Incentives: Initial Thoughts</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=July_initial_thoughts_document_-_070731.pdf&amp;refer=Markets/WhlMkts/EffSystemOps/SystOpIncent">http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?file=July_initial_thoughts_document_-_070731.pdf&amp;refer=Markets/WhlMkts/EffSystemOps/SystOpIncent</a></p>	8 August	<b>28 Sept</b>
<b>Ofgem</b>	<p><b>Titles:</b>  <b>CE Electric UK - Notice of Determination of Adjustment Factor</b>  <b>Notice of Determination of Adjustment Factor for EDF Energy Networks (EPN) plc</b></p> <p>Link to CE notice:  <a href="http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/Approval%20Letter%20(2).pdf">http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/Approval%20Letter%20(2).pdf</a>            Link to EdF notice:  <a href="http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/EDF%20Approval%20Letter%20(2).pdf">http://www.ofgem.gov.uk/Markets/RetMkts/Metrng/Metering/Documents1/EDF%20Approval%20Letter%20(2).pdf</a></p>	8 & 20 August	<b>n/a</b>
<b>Ofgem</b>	<p><b>Title: Open Letter: Token PPMs customer &amp; debt build up April to June 2007</b></p> <p>Link to open letter:  <a href="http://www.ofgem.gov.uk/Sustainability/SocAction/Publications/Documents1/Token%20PPMs%20%20April%20May%20June%2007%20Update.pdf">http://www.ofgem.gov.uk/Sustainability/SocAction/Publications/Documents1/Token%20PPMs%20%20April%20May%20June%2007%20Update.pdf</a></p>	9 August	<b>n/a</b>



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Ofgem	<p><b>Title: Renewables Obligation - 1 April 2006 to 31 March 2007</b></p> <p>Link to press release:  <a href="http://www.ofgem.gov.uk/Media/PressRel/Documents/1/ofgem36.pdf">http://www.ofgem.gov.uk/Media/PressRel/Documents/1/ofgem36.pdf</a></p>	10 August	n/a
Ofgem	<p><b>Title: Boundary B5 Section 11 Consultation</b></p> <p>Link to formal consultation:  <a href="http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/TIRG/Documents1/070813_Ex_Boundary%20B5%20Section%2011_FINAL.pdf">http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/TIRG/Documents1/070813_Ex_Boundary%20B5%20Section%2011_FINAL.pdf</a></p>	13 August	10 Sept
Ofgem	<p><b>Title: Transmission Access Review – A Call for Evidence for a Review of Transmission Access</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/tar/Documents1/070816_Ex_TAR%20Call%20for%20Evidence_FINAL.pdf">http://www.ofgem.gov.uk/Networks/Trans/ElecTransPolicy/tar/Documents1/070816_Ex_TAR%20Call%20for%20Evidence_FINAL.pdf</a></p>	16 August	27 Sept
Ofgem	<p><b>Title: Consultation on UU/2008/002.1: Proposal to introduce payments for the adoption of connection assets</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgMods/Documents1/213.07%20-%20Consultation%20on%20UU.2008.002.1%20proposal%20to%20introduce%20payments%20for%20the%20adoption%20of%20connection%20assets.pdf">http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgMods/Documents1/213.07%20-%20Consultation%20on%20UU.2008.002.1%20proposal%20to%20introduce%20payments%20for%20the%20adoption%20of%20connection%20assets.pdf</a></p>	17 August	28 Sept
Ofgem	<p><b>Title: Connections Industry Review 2006-07</b></p> <p>Link to:  <a href="http://www.ofgem.gov.uk/Networks/Connectns/ConnIndRev/Documents1/Connections%20Industry%20Review%202006-07.pdf">http://www.ofgem.gov.uk/Networks/Connectns/ConnIndRev/Documents1/Connections%20Industry%20Review%202006-07.pdf</a></p>	20 August	31 Oct
DBERR	<p><b>Title: Electricity Priority User Arrangements</b></p> <p>Link to: <a href="http://www.berr.gov.uk/files/file40466.pdf">http://www.berr.gov.uk/files/file40466.pdf</a></p>	20 August	23 Nov
DBERR	<p><b>Title: Could clever kitchens help in the fight against climate change? Dynamic Demand - Government Response to Clause 18 of the Climate Change and Sustainable Energy Act</b></p> <p>Link to:  <a href="http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=308735&amp;NewsAreaID=2">http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=308735&amp;NewsAreaID=2</a>            Link to report:  <a href="http://www.berr.gov.uk/files/file41011.pdf">http://www.berr.gov.uk/files/file41011.pdf</a></p>	20 August	n/a



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DBERR	<p><b>Title: Go-ahead for gas fired power station, Newport, South Wales</b></p> <p>Link to press release:  <a href="http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=308874&amp;NewsAreaID=2">http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=308874&amp;NewsAreaID=2</a></p>	21 August	n/a
DBERR	<p><b>Title: Consultation on proposals to include new industry documents within the scope of the appeals mechanism</b></p> <p>Link to:  <a href="http://www.dti.gov.uk/consultations/page40966.html">http://www.dti.gov.uk/consultations/page40966.html</a></p>	24 August	21 Oct
EAC/NAO	<p><b>Title: NEW INQUIRY Reducing carbon emissions from UK business: The role of the Climate Change Levy and Agreements</b></p> <p><b>Review from the NAO on: The Climate Change Levy and Climate Change Agreements</b></p> <p>Link to press release:  <a href="http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac300807.cfm">http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac300807.cfm</a>            Link to NAO review:  <a href="http://www.nao.org.uk/publications/nao_reports/06-07/climate_change_review.pdf">http://www.nao.org.uk/publications/nao_reports/06-07/climate_change_review.pdf</a></p>	30 Aug	28 Sept



# The Pace of Change in Great Britain

## SUMMARY OF AUGUST 2007 CONSULTATIONS & NEW BSC AND CUSC MODS AND DECISIONS

<b>BSC Mod decisions (APPROVE)</b>			
		Approved	Implementation date
<b>P207</b>	<b>Introduction of a new governance regime to allow a risk based Performance Assurance Framework (PAF) to be utilised and reinforce the effectiveness of the current PAF</b>	10 July	10 September
<b>Panel Recommendation: Approve</b>			
<b>New CAPs</b>			
<b>CAP158</b>	<b>Provision of interim response volume information</b>		National Grid

