



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

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

This issue covers: Ofgem consultations; 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 Consulting on 0131 240 0840.

HEADLINES

- The Team Group of Companies UK Limited went into insolvency on 30 November; this was followed, on 2 December, by an announcement by ELEXON that that Team was in default under the BSC. Also on 2 December, Ofgem announced that it had appointed npower as the new supplier for Team's gas and electricity customers.
- On 16 December, Ofgem announced that it had revoked Eledor Limited's licence due to insolvency and ELEXON announced Eledor was in default under the BSC. Npower Ltd was subsequently appointed Supplier of Last Resort for Eledor Limited.
- On 19 December, following an urgent BSC Panel meeting, ELEXON announced that Utility Link had advised it that it was unable to pay its BSC debts and it too was now in default under the BSC.
- RWE Npower has raised a new "zonal transmission losses" modification. This is based on the losses modification that was originally approved by Ofgem but which subsequently fell under judicial review (P82) and proposes the use of "average" zonal loss factors calculated in advance for each year with zones based on GSP Groups for both generation and demand. The Modification recommends an implementation date of April 2007.

- Sir John Mogg has been appointed President of the Council of European Energy Regulators (CEER) and Chairman of the European Regulators' Group for Electricity and Gas (EREG).
- DTI has announced that a decision on the Regulation of Offshore Electricity Transmission arrangements will be delayed until early in the New Year. The reason given is that DTI is further scrutinising the proposed approach to ensure that the solution adopted is in line with the principles of Better Regulation and does not impose disproportionate burdens on industry.
- The European Commission has confirmed its position that existing plant that discharge through a common stack will be treated as a boiler for the purposes of the LCPD.
- Ofgem is to hold seminars in London (19 January) and Glasgow (24 January) on the enduring transmission charging arrangements for distributed generation. Contact Mark.Copley@Ofgem.gov.uk by 6 January to attend. A workshop is also planned for February on Electricity Incentives under the new price control (variations on the status quo or a move towards the gas model). Contact Jennifer.Swan@ofgem.gov.uk.

Ofgem Issues and Consultations

Issue: Changes to the charging methodology for distribution reactive power charges in the Central Networks and United Utilities areas.

Title: Consultation on electricity distribution reactive power charges - Central Networks and United Utilities

Issued: 1 December

Response due: 16 January 2006

Link:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13049_Reactive_power_consultation.pdf?wtfrom=/ofgem/whats-new/archive.jsp



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Ofgem has published an open letter setting seeking views on proposals by Central Networks and United Utilities to changes to their methodologies for charging for reactive power. CN do not currently charge customers for reactive power but are proposing to introduce charges for demand customers where their kVarh exceeds 33% of their kWhs. UU are proposing amendments to the current method of determining eligibility for charges and calculating the reactive charge.

Issue: Annual reporting of DNO costs for price control purposes

Title: Electricity Distribution Cost Review 2004/05

Issued: 6 December
Response due: **comments are requested by the end of April 2006**

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13123_263_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has published the first annual report on DNO costs based on the cost reporting process developed during the latest price control review.

Issue: Guidance for suppliers and CHP installations on gaining CCL Exemption

**Title: Climate Change Levy exemption for CHP
Ofgem's guidance for exporting 'good quality' CHP generators**

Issued: 13 December

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13174_264_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has published guidance on the administration of the arrangements for gaining exemptions from the CCL for electricity from qualifying CHP installations.

Issue: Approval of transmission licencees costs of transmission upgrades to support increased North South Power flows to accommodate renewables.

Title: Transmission investment for Renewable Generation – Scottish Power Transmission Limited's Submission to Ofgem to upgrade the Scotland/England Interconnector: Ofgem's decision

Issued: 14 December
Response due: n/a

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13178_267_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has decided that the relevant criteria for approving funding have been met and has approved NGET and Scottish Power's application for the approval of funding allowing £168m for the upgrade split £108m:£60m between NGET and SPTL respectively

Issue: The development of new price controls for gas and electricity transmission for 2007 forwards

**Title: Transmission price control review
Second consultation**

Issued: 15 December
Response due: **30 January 2006**

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13206_277_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has published the second in a series of 6 proposed consultation documents on the new price controls for the three electricity transmission companies and National Grid Gas for gas. Final proposals are scheduled for December 2006 to come into effect, if accepted, on 1 April 2007.

One of the key issues, for electricity, under the review is the design of the incentive arrangements for provision of new capacity and revenue drivers. Two sets of options are considered. The first set is based on the current arrangements for electricity, possibly with refinements, and referred to as the "status-quo" options. The second approach is closer to the gas arrangements and relies on forward purchase of access rights by current and prospective users for a fixed period and described as "user commitment" options. However, the approach seems to be less prescriptive than in previous consultations on this type of option (~3 years ago) and Ofgem note that it does not consider it "necessary for the detail of the arrangements to be the same in gas and electricity" and that auctions are "not core to the user commitment model".



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Ofgem is planning to hold a **workshop on electricity incentives** in February and Ofgem seem particularly keen for users to come forward and present “straw men” options for discussion of the user commitment options (email: Jennifer.Swan@ofgem.gov.uk – title electricity incentives workshop – if you want to attend).

Issue: Guidance and licence modifications for transmission investment for renewable generation under the “TRIG” project

Title: Cost recovery and incentive mechanism for transmission investment for renewable generation baseline projects

Issued: 15 December
Responses due: n/a

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13194_275_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Links to Licence changes:

SP Transmission Limited:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13193_274_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

NGET:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13193_274_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

SHETL:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13191_272_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has published a guidance note on cost recovery and incentive mechanism arrangements for the transmission investment for renewable generation (TRIG) revenue allowance mechanism. It covers the baseline projects identified in the December 2004: Beaulieu-Denny, Scotland-England interconnector, Sloy reinforcement and South West Scotland. It also published statutory notices modifying the transmission licences of to give effect to the TRIG arrangements.

Issue: Changes to the charging methodology for excess power charges in the Central Networks area.

Title: Consultation on electricity distribution use of system charging modification proposal: Central Networks - excess capacity charges

Issued: 15 December
Response due: **27 January 2006**

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13186_Cons_doc_Mod_proposal_CN_Excess_capacity_Dec05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has published an open letter setting seeking views on proposals by Central Networks to change its charging methodology for charges to customers who exceed their authorised supply capacity.

Issue: Ofgem will no longer provide “letters of comfort” to financiers of power station projects

Title: Comfort letters provided by Licensing for power projects

Issued: 15 December

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13189_271_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has issued an open letter stating that it will no longer provide “letters of comfort” to financiers of power stations as the undertakings provided in these letters are not necessary.

Issue: Ofgem’s consultation on Options for harmonising transmission charging for transmission and distribution connected generation – invite to Ofgem seminars

Title: Enduring transmission charging arrangements for distributed generation - invitation to an industry meeting

Issued: 16 December
Response due: **6 January 2006 to request a place.**

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13210_279_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem is to hold seminars in London (19 January) and Glasgow (24 January) on the enduring transmission charging arrangements for distributed generation. Contact Mark.Copley@Ofgem.gov.uk by 6 January to attend – confirmation and details will be sent by 11 January. NGET have indicated that they prefer the supplier agent model where suppliers purchase transmission access capacity on behalf of embedded generators.



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Issue: Adjustments to the price control formula in the transmission licence to accommodate the reliability incentive.

Title: Notice under section 11(2) of the Electricity Act 1989 - Transmission reliability incentive: Scottish Hydro-Electric Transmission Limited

Issued: 16 December
Response due: **20 January 2006**

Links (SHELTL):
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13218_284_05.pdf
(SPT)
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13217_283_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has issued a statutory consultation to amend the price controls in Scottish Hydro-Electric Transmission Limited's and Scottish Power's (SP Transmission Limited's) transmission licence to introduce a new term to reflect performance under the Transmission Network Reliability Incentive.

Title: Fuel Mix Disclosure by Electricity Suppliers in Great Britain Guidelines

Issued: 16 December
Response due: n/a

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13216_282_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Following its consultation in June, Ofgem has published guidelines on the format and information to be provided by suppliers on the fuel mix used to produce the electricity it provides to its customers under the Fuel Mix Disclosure requirements in standard condition 30A of the supply licence. The guidelines contain some standardisation for aspects of the "fuel label" suppliers are required to provide to customers. However, the document states that the guidelines are not intended to prevent suppliers from branding their bills or material or undertaking any special initiatives to raise brand awareness.

Issue: Proposal to modify/move certain standard conditions in the Distribution Licence

Title: Notice under section 11A of the Electricity Act 1989

Proposal to modify the licences granted or treated as granted under section 6(1)(c) of the Electricity Act 1989

Issued: 16 December
Responses due: **20 January 2006**

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13215_281_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Ofgem has issued a statutory notice on proposals to modify the DNO licence to replace/move conditions from section C of the licence (Distribution Services Obligations – applying to ex-PES DNOs) to Section B (General – applying to all DNOs) which it describes as follows:

"In summary the proposed modifications give effect, for any purpose connected with the carrying on of the activities authorised by the Licences, and as provided for in section 10 of the Act, to:

*(i). Distributors' powers (in Schedule 3 of the Act) of compulsory acquisition of any land required; and
(ii). Distributors' other powers (in Schedule 4 of the Act), including the powers to execute street works and open or break up any street."*

Issue: Revision to the principles that establish the costs that Ofgem can recover and who they should be recovered from and consequential changes to the licences.

Title: Licence fee cost recovery principles

Issued: 20 December
Licence changes are effective from 20 December

Link to principles:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13308_Licence_fee_cost_recovery_principles_Dember_2005.pdf

Links to licence changes:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13307_Ofgem_Modification_notice_-_electricity_transmission.pdf
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13306_Ofgem_Modification_notice_-_electricity_distribution.pdf

Following its March 2005 consultation, Ofgem has published amendments to the principles governing the recovery of its costs from licence holders to deal with



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5th January 2006

- Competition Commission costs for code modification appeals and licence modification references;
- British Electricity Trading and Transmission Arrangements (BETTA);
- operation of Ofgem's five year cost control regime (RPI-X); and
- updating.

At the same time the revised principles were published, Ofgem also issued a statutory notice modifying the standard conditions in the electricity transmission licence (covering bullets 2 (GBSO only), 3 & 4 above) and electricity distribution licence (covering bullets 3 & 4).

Issue: Changes to transmission licences to enable appropriate GB based reporting, by the GB SO, under the system security standard and quality of service provisions.

Title: Proposal to modify standard condition D3 of licences granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 &

Title: Proposal to modify standard condition C17 of licences granted or treated as granted under section 6(1)(b) of the Electricity Act 1989

Issued: 16 December
Response due: **20 January 2006**

Links:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13223_288_05.pdf
&
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13222_287_05.pdf

Ofgem has issued two statutory notices in respect of licence modification proposals. Both relate to the provisions relating to the transmission system security standard and quality of service; the affected conditions are SLC 17 and SLC D3.

The combined effect of the two changes is described in the notices as being to require the System Operator to:

*"a. submit to the Authority yearly, a report providing details of the security and availability and service quality of the GB transmission system, including information and data relating to its transmission system and every other transmission Licensee's transmission system; and
b. publish the report"*

and to require the transmission licensees to provide the System Operator with the information, in respect of their own networks, that the System Operator needs to make the report.

Issue: Ofgem published draft regulations on what customers can be charged for via pre-payments meters.

Title: Prepayment meters: Update document on new powers under the Energy Act 2004 including draft statutory instrument

Issued: 16 December
Response due: **10 February 2006**

Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsatta/ch/13224_289_05.pdf

Ofgem has published a consultation on the draft regulations it is proposing to implement to extend the costs that can be recovered through pre-payment meters (PPMs). The regulations provide for the charges suppliers can recover through PPMs to be extended to include:

- "a gas or electricity supplier to collect a debt, through a PPM, which was accrued at a premises previously owned or occupied by the customer, and;
- an electricity supplier to collect ongoing gas charges and/or gas debt through an electricity PPM."

Ofgem had originally contemplated also allowing suppliers to recover the cost of energy efficiency or energy services packages through PPMs but, in the light of consumer comments, is proposing not to progress this proposal. Views are sought on the proposed approach, the draft regulations, and suggestions for providing additional customer safeguards.

Issue: Establishing the 2006–7 System Operator Incentive Scheme: consultation on NGET's cost projections for Balancing Services

Title: National Grid Electricity Transmission System Operator Incentives 2006-7

Issued: 22 December
Response due: **2 February 2006**



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Link:
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13405_Initial_proposals_letter_FINAL_corrected.pdf
 Link to appendices:
http://www.ofgem.gov.uk/ofgem/whats-new/index.jsp?section=whats-new&levelids=.1_12499#top12499

Ofgem has published a short open letter to start the process of consulting on the SO Incentive Schemes (Internal and External) for 2006-7. The letter is accompanied by six appendices which include NGET's detailed cost projections for 2006-7 (Appendix 2) and subsequent concerns that the original forecast provided to Ofgem on 3 November was incorrect (Appendix 2a and Appendix 4).

On 9 December NGET wrote to Ofgem indicating that it wished to revise its forecasts for 2006-7 in the light of developments in gas prices and constraint costs in November and December and an expectation that the outturn for 2005-6 would be higher than anticipated in early November, and to reissue its forecast on 6 January 2006. Ofgem has indicated that it cannot see any justification for revising the original forecast. The letters between NGET and Ofgem are attached as appendices 4 and 5.

NGET's original forecast costs for 2006/7 (in 2006/7 prices) are:

- £421.1m for external balancing costs; and
- £104.6m for internal costs.

The target for external costs for this year is £377.5m.

Ofgem note that previous NGET forecasts have been consistently higher than the target Ofgem has set and that NGET has still consistently out performed the target (although to a lesser extent in recent years) and that Ofgem continues to have concerns about the level of NGET's forecast given experience of previous performance.

In terms of process, the letter notes that Ofgem would normally issue a consultation at this time of year giving NGET's forecasts and Ofgem's comments on those forecasts but that it has had to reprioritise work and resources because of events in the gas market and is therefore consulting via letter on NGET's forecast without Ofgem comments at this stage. Comments are invited on the initial projections, and any subsequent NGET projections, by **2 February**.

Ofgem's letter to NGET (appendix 5) also notes that NGET has flagged the possibility that it may raise an Income Adjusting Event (IAE) in respect of the

higher costs and sets out Ofgem's views on the issues to be addressed for such a claim to be successful. Ofgem concludes on this point by stating that "IAEs are not automatically granted in the event that there are material deviations away from any assumed baseline allowances".

The GB Queue

Issue: The GB queue for applications to connect to the transmission network – applications post 1 April 2005 and applications pre 1 April 2005

16 December :

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13220_285_05.pdf

15 December:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13188_270_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

1 December:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13050_261_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Response due: n/a

Ofgem has received further applications to extend the deadline for issuing connection offers under Condition C8 (i.e. applications made after the BETTA go live date) and C18 (i.e. before the BETTA go live date). Ofgem has agreed to extensions.

Defaults by electricity suppliers: Eledor Limited; The Team Group of Companies and Group of Companies UK Limited; and Utility Link

Issue: Announcements have been made in respect of three supply companies (Eledor, Team and Utility Link) that have been in default under the BSC with various sanctions taken against them by Ofgem and/or the BSC Panel.

The Team and Eledor have both had licences revoked and npower Ltd has been appointed as Supplier of Last Resort in both cases.

All three are in default under the BSC and the BSC Panel has passed resolutions removing various rights under the BSC.

Links to announcements by ELEXON and Ofgem in December are grouped, together, below.



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Team Group:

Licence revocation:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13051_revocation.pdf?wtfrom=/ofgem/whats-new/archive.jsp

SoLR direction:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13084_npower_Elec_dir.pdf?wtfrom=/ofgem/whats-new/archive.jsp

SoLR reasons:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13083_npower_Electricity_Notice.pdf?wtfrom=/ofgem/whats-new/archive.jsp

BSC Panel resolutions & ELEXON Circulars:

2 December:

http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01337.pdf

Eledor:

Notice of licence revocation:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13237_Notice_of_Revocation_of_Eledors_Electricity_Licence.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Reasons for revoking the licence:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13236_reasons_for_revoking_eledors_electricity_licence.pdf?wtfrom=/ofgem/whats-new/archive.jsp

SoLR direction:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13301_LRSD_Eledor.pdf?wtfrom=/ofgem/whats-new/archive.jsp

Reasons for SoLR direction:

http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13302_LRSD_Ele_reasons.pdf?wtfrom=/ofgem/whats-new/archive.jsp

BSC Panel resolutions & ELEXON Circulars:

23 December:

http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01345.pdf

21 December:

http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01344.pdf &
http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01344A.pdf

16 December:

http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01341.pdf

Utility Link:

BSC Panel resolutions & ELEXON Circulars:

19 December:

http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01342.pdf

GOVERNMENT AND OTHER BODIES

DTI

Issue: Extending the definition of supply to include supply to customers connected to transmission assets.

Title: Commencement of section 179 of the Energy Act: Amending the definition of electricity supply

Commencement date: **1 April 2006**

Response due: n/a

The DTI has written to the industry indicating that it expects the provisions in the Order that gives effect to the revised definition of supply (in Section 179 of the Energy Act), which includes electricity conveyed over the transmission network, to come into effect on **1st April 2006**.

The letter also indicates that the Secretary of State intends to exercise his right to introduce a transition period (to 2010) for some customers. The two categories of consumers who will be subject to the transitional arrangements are:

“(a) Consumers with long term, fixed price contracts signed prior to 1 April 2002 (that is, the date on which the Renewables Obligation Order 2002 came into force), and where those consumers’ electricity bills constitute more than 20% of their turnover. Persons supplying electricity which has been conveyed over the transmission network to consumers in this category will be given until 1 April 2010 before the electricity will be legally defined as being “supplied” for the purposes of the renewables obligation.

(b) Corporate consumers who require the electricity in order to cover a temporary power outage in their own generating capacity. Persons supplying the electricity which has been conveyed over transmission network to consumers in this category will be given until 1 April 2010 before the electricity



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will be legally defined as being "supplied" for licensing purposes (prior to that date it will not be so classified)."

Issue: An assessment of the potential of small scale power and heat systems to meet future energy needs

Title: Potential for Microgeneration, study and analysis

Issued: 12 December
Response due: n/a

Link to press release:
<http://www.gnn.gov.uk/environment/detail.asp?ReleaseID=181382&NewsAreaID=2&NavigatedFromDepartment=False>

Link to report:
<http://www.dti.gov.uk/energy/consultations/pdfs/microgeneration-est-report.pdf>

DTI has published a report from the Energy Savings Trust into the future contribution to energy needs that can be met from small scale CHP and renewable heat and electricity systems. The accompanying press release states that, amongst other things, microgeneration could potentially provide 30-40% of the UK's total electricity needs by 2050.

Issue: Consultation on the regulations that will give effect to the requirements of the Measuring Instruments Directive in respect of gas and electricity meters.

Title: Measuring Instruments Directive: Implementation – Gas & Electricity Meters Consultation on proposed regulations

Issued: 14 December
Response due: **10 March 2006**

Link:
http://www.dti.gov.uk/energy/consultations/measuring_instruments.pdf

DTI has issued a consultation on the regulations that will give effect to the Measuring Instruments Directive (adopted in March 2004).

Issue: Malcolm Wicks' first (post announcement) Energy Review Speech

Title: Energy Review Must Address 2020 'Do Nothing' Scenario

Issued: 19 December
Response due: n/a

Link:
<http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=182392&NewsAreaID=2>

DTI has issued a press release on the first speech given by Malcolm Wicks after the formal announcement of the Energy Review. It refers to the critical importance of securing clean, affordable energy supplies for the long term in the face of increased dependence on imports.

Issue: DTI's 2005 top ten renewable projects

Title: Going live in 2005 a review of the renewable energy year

Issued: 30 December
Response: n/a

Link:
<http://www.gnn.gov.uk/content/detail.asp?NewsAreaID=2&ReleaseID=183184>

DTI has issued a press release identifying the "top ten" renewable projects that went live in 2005. The press release states that the schemes were chosen "because they are exciting and innovative projects that have helped to reduce greenhouse gas emissions and raise awareness of renewable energy, while contributing to the Government's 2010 target".

The ten projects are:

1. Offshore windfarm: Kentish Flats, Thames Estuary, off Herne Bay (Elsam Engineering);
2. Solar: CIS Building, Manchester;
3. Onshore windfarm: Black Law A, South Lanarkshire, Scotland (Scottish Power);
4. Biomass: Balcas' renewable energy plant, Enniskillan, N.Ireland;
5. Microgeneration: Spen Valley Sports Centre, Liversedge, Nr Leeds, West Yorkshire;
6. Solar: Eden Centre, St Austell, Cornwall - The Eden Trust;
7. Onshore windfarm: Cefn Croes, nr Aberystwyth, Wales (Falck Renewables);
8. Marine: Wave buoy, north Cornwall;
9. Solar: East Hall, the Science Museum, London - The Science Museum; and
10. Microgeneration: Nissan Motor Plant, Sunderland.



The Office of the Deputy Prime Minister

Issue: A new code to inform builders and buyers about the sustainability of new homes.

Title: Proposals for introducing a Code for Sustainable Homes

Issued: 1 December
 Response due: **6 March 2006**

Link:
http://www.odpm.gov.uk/embedded_object.asp?id=1162095

The ODPM has issued a consultation on a code which would be used to inform buyers and builders in England about the sustainability of a new home. Ratings will depend on many factors, including use of energy efficient products. The Code is to be launched next year.

Trade and Industry Committee

**Title: NEW INQUIRY
 The Work of the Nuclear Decommissioning Authority (NDA) and the United Kingdom Atomic Energy Authority (UKAEA)**

Issued: 14 December
 Response due; written evidence by 27 January 2006

Link:
http://www.parliament.uk/parliamentary_committees/trade_and_industry/tisc_pn17_0506.cfm

The TIC has announced that it will be holding an inquiry into the work of the Nuclear Decommissioning Authority (NDA) and the United Kingdom Atomic Energy Authority (UKAEA).

DEFRA

Issue: The EU's interpretation of what constitutes a "single plant" for the purposes of the LCPD

Title: Implementation of the Revised Large Combustion Plants Directive (LCPD)

Issued: 16 December
 Response due: n/a

Link to relevant documentation:
<http://www.defra.gov.uk/environment/airquality/lcpd/index.htm#proposals>
<http://www.defra.gov.uk/environment/airquality/lcpd/pdf/lcpdoptout-directions0512.pdf>

The EU has confirmed its interpretation of an existing "single plant" for the purposes of the LCPD as follows:

"existing plants whose waste gases are de facto discharged through a common stack should be considered as a single plant for the purposes of the Directive. When a group of boilers discharge their waste gases through a common stack, the term "existing combustion plant" should be interpreted as that group of boilers. When only one boiler vents through one stack, an existing plant should be interpreted as that boiler".

DEFRA has written to stakeholders confirming this interpretation and the EU's acceptance of the use of the "combined approach" using both Emission Limit Values (ELVs) and National Emission Reduction Plant (NERP) options and advising that Member States now have until the end of February to submit their final combined National Plans. DEFRA is to hold a stakeholder meeting on 10 January to discuss the final stage of implementing the LCPD.

Given the EU's further guidance on the interpretation of the combined approach the deadline for confirming whether or not to "opt-out" of the LCPD has been extended from 31 December 2005 to 3 February.
 Link:
<http://www.defra.gov.uk/environment/airquality/lcpd/pdf/lcpdoptout-directions0512.pdf>

Issue: Development of carbon capture and storage technologies

Title: UK signs agreement with China on near zero emissions coal-fired electricity

Issued: 21 December
 Response: n/a

Link:
<http://www.defra.gov.uk/news/2005/051221d.htm>

DEFRA has issued a press release announcing a joint project between China and the UK on the development of clean coal technology with carbon dioxide capture and storage. The UK is leading the first phase of the demonstration project with DEFRA & DTI providing £3.5m funding.

The Better Regulation Task Force

**Title: Routes to Better Regulation
 A Guide to alternatives to classic regulation**

Issued: 5 December
 Response due: n/a



Link: <http://www.brta.gov.uk/docs/pdf/routes.pdf>

The BRTF's website introduces the guide as follows....

“This report examines a wide range of less prescriptive options or alternatives to classic regulation which can achieve policy objectives in less burdensome ways. For example, if those being regulated can devise their own ways of achieving an objective, they will find the most efficient way to do so. It is in their interest to meet targets while minimising bureaucracy and costs.

Flexible, non-prescriptive regulation can also encourage businesses to innovate, as they are not restricted in how they can achieve regulatory targets.”

The BRTF also published its annual report on the same day, which can be found at:

<http://www.brta.gov.uk/docs/pdf/designdelivery.pdf>

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

Title: Climate change: EU on track to reach Kyoto targets, latest projections show

Date: 1 December

Link:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1519&format=HTML&aged=0&language=EN&guiLanguage=en>

Title: Renewable energy: European Commission proposes ambitious biomass and biofuels action plan and calls on Member States to do more for green electricity

Date: 7 December

Link:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1546&format=HTML&aged=0&language=EN&guiLanguage=en>

Title: European Commission to pay additional 853,000 EUR to support Kyoto's flexible mechanisms and technology transfer

Date: 12 December

Link:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1570&format=HTML&aged=0&language=EN&guiLanguage=en>

Andris Piebalgs welcomes the approval of the Energy End-use Efficiency and Energy Services Directive

Date: 13 December

Links:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1575&format=HTML&aged=0&language=EN&guiLanguage=en>

Link to information on key provisions:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/05/476&format=HTML&aged=0&language=EN&guiLanguage=en>

GB SO REPORTS AND CONSULTATIONS

Issue: Charges for new (part year) transmission access products

Title: CONSULTATION DOCUMENT - Modification Proposals to the Use of System Charging Methodology

GB ECM 03 LDTEC Charges and

GB ECM 04 Multiple STTEC Charges

Issued: 2 December

Response due: **6 January 2006**

Link:

<http://www.nationalgrid.com/NR/ronlyres/936968B1-2D29-4E00-AC37-EE049BA89D02/5303/GBECM03andGBECM04ConsultationDocument.pdf>

NGET has published a consultation on changes to the Use of System Charging Methodology that would be needed to accommodate new access products developed under CAP094 (Limited Duration Transmission Entry Capacity) – if the CAP is approved. Changes to generator charges are proposed in respect of two new access products:

- Limited Duration TEC (LDTEC is a 7–45 week access product, various forms of LDTEC have been developed under CAP094) (TEC is Transmission Entry Capacity); and
- Multiple Contiguous Blocks of STTEC where it is considered to be a different access product to STTEC (STTEC - Short Term TEC is a 4-6 week access product).



IPA Energy Consulting

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

The paper reviews responses to NGET's initial consultation and gives its response to these views. It then sets out two proposed modifications – one to deal with each of the above. The proposals are fairly complex (and require prior knowledge of the current STTEC charging arrangements) and hence difficult to summarise.

Very broadly, for LDTEC NGET propose (under GB ECM-03):

- in positive charge zones, the first 17 weeks purchased within a financial year are charged on a comparable basis to the STTEC for that zone (this is a premium rate that would recover ~90% of the annual zonal charge over 17 weeks). Any subsequent weeks are charged at a rate that would allow pro-rata (per week) recovery of the full zonal TNUoS for the zone after allowing for the charges collected for the first 17 weeks (i.e. ~10% of the zonal charge would be recovered over the remaining 35 weeks). The proposals include provision to collect a premium over the annual zonal TNUoS charge in the lower charging period – but proposes the premium should be set to zero;
- in negative charge zones the charge would be zero; and
- NGET also propose to introduce an “LDTEC Request Fee” to cover administration costs, similar to the STTEC application fee and which is non refundable (other than as provided for in the CUSC) and paid in advance.

For Multiple STTEC NGET propose similar charging arrangements, under GB ECM-04, to those proposed under GB ECM-03 for LDTEC. There would also be a Multiple STTEC application fee which would be £10k for the first STTEC offer in a Multiple TEC offer in the same request and £5k for each subsequent one.

The consultation includes indicative per week tariffs for the above and a number of worked examples to illustrate the various complexities of shape and timing.

Issue: NGET's annual report on compliance with its Balancing principles Statement – the document that defines the broad framework within which NGET's balancing action decisions are made.

Title: Balancing Principles Statement Report for the period 1 October 2004 to 30 September 2005

Issued: 5 December

Response due: n/a

Link to NGET's report:

<http://www.nationalgrid.com/NR/rdonlyres/57DD87F2-DE5B-419D-88A3-5503555DC98E/5082/FifthBPSreportFINAL.pdf>

Link to auditor's reports :

<http://www.nationalgrid.com/NR/rdonlyres/30BDDA8C-2698-4877-8817-5463990C25D4/5083/BPSOpinionfinal0905PDF.pdf>
&

<http://www.nationalgrid.com/NR/rdonlyres/7EEC3983-D7D6-4594-8642-1023459DBEAB/5084/BPSSupplementaryReport0905PDF.pdf>

NGET has published its annual report on compliance with the Balancing Principles Statement. The report provides an overview of performance and events during the reporting period and concludes that “it has operated the system in accordance with the guidelines set out in the Balancing Principles Statement”. The report is also accompanied by a statement from the external auditor.

Issue: Minor correction to the Transmission Network Use of System Charging Methodology

Title: The Statement of the Use of System Charging Methodology (Issue 1 Revision 2)

Issued: 13 December

Response due: n/a

Link: will be at:

<http://www.nationalgrid.com/uk/Electricity/Charges/chargingstatementsapproval>

NGET have issued a revised version of the Statement of the Use of System Methodology – the revisions correct a previous error in the drafting in the section relating to the treatment of over and under recovery against price control income.

THE BSC AND CUSC

The BSC

Parties in default

Three urgent Panel Meetings were convened in December to deal with defaults under Section H of the BSC. First (2 December) **The Team Group of Companies UK Limited**, then (16 December) **Eledor Limited** and finally (19 December) **Utility Link**. In light of this, the BSC Panel passed a number of resolutions suspending these parties' rights under various sections of the BSC. Full details can be found at:



http://www.elexon.co.uk/documents/circulars/Elexon_Circular/EL01337.pdf

Links to Ofgem decisions in respect of Team and Eledor are given above under a sub-section in the Ofgem section.

New Modification proposals

Modification: P197 (“SVA Qualification Processes Review”) was submitted by Laing Energy Limited on 12 December 2005.

The Modification proposes substantial changes to the SVA Qualification Processes (Entry Processes, Certification and Accreditation) following a review. It is based on the findings and recommendations within the SVA Qualification Processes Review Report prepared by ELEXON on behalf of the “SVA Qualification Processes Review Group” (published in November). The review was commissioned by the SVG (Supplier Volume Allocation Group) in November 2004.

Modification P198 (“Introduction of a Zonal Transmission Losses scheme”) was submitted by RWE Npower on 16 December 2005.

The Modification is based on the proposals developed under Modification P82 that fell following judicial review. The key features of the proposal are:

- Zonal transmission loss factors (TLFs) would be developed and published for each BSC year (April to March) at least one month prior to the beginning of the year;
- Zones would align with GSP Groups for both generation and demand;
- the Zonal TLFs would be derived from nodal loss factors generated by a “TLF Agent” using an intact network simulation or “load flow model”;
- the zonal TLFs would be adjusted by a scaling factor so that, to a first approximation, the heating element of the transmission system losses are allocated on an average basis; the balance of the losses would be allocated on a uniform basis (this would include fixed losses and any inaccuracies in the average allocation of heating losses);
- the value of this scaling factor would be fixed “under the governance of the BSC”; and
- the changes should be implemented for April 2007.

Modification decisions – Approved Modifications

Modification: P191 (‘Revised definition of Balancing Mechanism Unit to include Power Park Module’).

The change will allow a Power Park Module (PPM - which is defined in the Grid Code) to be a single BM Unit under the BSC. The definition of a PPM captures groups of wind, wave and solar generating units.

Status: APPROVED on 7 December

Implementation date: 21 December 2005

Panel recommendation: Approve.

Modification P193 (“Improved Arrangements for Modification Proposals”). The change will enable the BSC Panel to raise a modification and consider an Initial Written Assessment at the same meeting thereby reducing the time for progressing such modification proposals by one month.

Status: APPROVED 16 December 2005.

Implementation date: 22 December

Panel recommendation: Approve.

New Standing Issue: Issue 21 (‘Scope of Profiling Administration Service’)

The BSC Panel has raised Issue 21 to initiate industry discussion on problems associated with the Profile Administration arrangements - recruiting customers into the load research sample and the reliability of existing logging equipment which is owned by ELEXON.

Modification Seminar (P194 - (Revised Derivation of the 'Main' Energy Imbalance Price)

Ofgem has indicated that it will be publishing its Impact Assessment for **P194 (Revised Derivation of the 'Main' Energy Imbalance Price)** on 6 January 2006 and that is intending to hold a seminar to discuss the results of the IA on 25 January 2006.

This is the Modification, raised by NGET, which proposes changes to the calculation of the “main” imbalance price so that it is set by the weighted average of a pre-determined volume of accepted Bids/Offer and BSAD forward energy purchases that have not been “tagged” as system and are within the “net imbalance volume” rather than all such purchases. The BSC Panel recommended that it should NOT be implemented.



IPA Energy Consulting

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

BSC – joiners and leavers

In December **Gaz de France SA; JP Morgan Ventures Energy Corporation; & JP Morgan Chase Bank** acceded to the BSC as a Non-Physical Traders & **OM London Exchange** withdrew.

BSC Miscellaneous

Draft BSCCo (ELEXON) Business Strategy and Annual Budget

ELEXON has issued a consultation on the draft BSCCo (ELEXON) Business Strategy and Annual Budget - the forecast budget for 2006/07 is £34.5m. The deadline for comments is **16 January 2006**. The consultation can be found at: [http://www.elexon.co.uk/documents/Consultations/Draft_BSCCo \(ELEXON\) Business Plan 2006 - 2009/ELEXON Draft Strategy and Budget 2006-09_consultation.pdf](http://www.elexon.co.uk/documents/Consultations/Draft_BSCCo_(ELEXON)_Business_Plan_2006_-_2009/ELEXON_Draft_Strategy_and_Budget_2006-09_consultation.pdf)

Seminar - update on Supplier Charges

ELEXON is hosting a seminar on Supplier Charges on **1 February 2006**. Further details can be found in ELEXON Newscast Issue 73 ([http://www.elexon.co.uk/documents/Publications/Newscast/Issue_73 - 5 December 2005.pdf](http://www.elexon.co.uk/documents/Publications/Newscast/Issue_73_-_5_December_2005.pdf)).

CUSC

CUSC Amendment Proposals

Authority Decisions – Approved Amendments

CAP099 (Incorporation of Additional Credit Management Tools within the CUSC in line with Current Best Practice) - the change widens the range of tools available to CUSC Parties which need to post collateral.

Status: APPROVED on 7 December
Implementation date: 21 December 2005

CAP105 (National Grid's Name Change) - the approved alternative amendment will change all references to NGC to “the Company” such that any subsequent changes would only require changes to the definition of the Company.

Status: Consultation Alternative Amendment (C) was APPROVED on 7 December
Implementation date: 21 December 2005

CAP100/101 (“Revision of CUSC Provisions to ensure that Amendment Reports contain collective CUSC Panel Recommendation, Removal of the Amendments Panel Chairman’s Casting Vote – In the context of Amendments Panel Recommendation Vote”) - the amendments in the Amalgamated CAP have been introduced to allow the Amendment report to the Authority to include a CUSC Panel recommendation (and hence assist determination of whether an Authority decision is appealable).

Status APPROVED on 22 December
Implementation date: 10 January 2006

CAP103 (“Flexibility of Working Group Internal Procedures”). The Authority has approved the Consultation Alternative Amendment as detailed in the Amendment Report”) – the change gives greater flexibility in the timescales for reviewing reports and modifying the membership of CUSC working groups.

Status: Alternative Amendment APPROVED on 22 December
Implementation date: 10 January 2006

New CAPs

Six new caps were raised in December – **CAP107** by EON and five (**CAPs 108 – 112**), described by National Grid as “Housekeeping Amendments”.

CAP107 (Redefinition of Response Energy Payment (REP) for Mandatory Frequency Response) seeks to change the payments for any change in a generator’s output that arises through providing frequency response. The amendment proposes replacing the current payments, which are based on the average of the time weighted average System Buy Price and time weighted average System Sell Price for the preceding calendar month, with payments priced at the generator’s first Bid Price (PB1ij).

IPA News

IPA would like to wish all its readers a Happy and Prosperous New Year

DISCLAIMER

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

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SUMMARY OF DECEMBER 2005 CONSULTATIONS & NEW BSC AND CUSC MODS AND DECISIONS

Please note that whilst considerable effort is made to keep this up to date some, possibly important, consultations and announcements will inevitably have been missed. Readers should also refer to the relevant documents to confirm response dates.

CARRIED FORWARD FROM LAST EDITION...		Issued	Response Due
DEFRA	<p>Title: Consultation on the first amendment to the Greenhouse Gas Emissions Trading Scheme Regulations 2005</p> <p>Link: http://www.defra.gov.uk/corporate/consult/etsregs05-amend1/index.htm</p>	24 October	16 January
Ofgem	<p>Title: Non-domestic supply market review: consultation</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12822_240_05.pdf</p>	11 Nov	13 January
Ofgem	<p>Title: Refocusing Ofgem's ARM 2002 Survey to BSI-PAS 55 Certification</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12965_250_05.pdf</p>	24 Nov	16 January
Ofgem	<p>Title: - Extending National Grid Electricity Transmission plc's Transmission Owner Price Control for 2006/07: Final Proposals</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12992_253_05.pdf</p>	25 Nov	NGET has until 9 January to confirm whether it accepts the proposals.
Ofgem	<p>Title: <u>Initial consultation letter – Proposal for extending the scope of contestable works in relation to competition in electricity connections</u></p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/12972_251_05.pdf</p>	25 Nov	16 January
New in December.....			
OPDM	<p>Title: Proposals for introducing a Code for Sustainable Homes</p> <p>Link: http://www.odpm.gov.uk/embedded_object.asp?id=1162095</p>	1 December	6 March
Ofgem	<p>Title: Consultation on electricity distribution reactive power charges - Central Networks and United Utilities</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13049_Reactive_power_consultation.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	1 December	16 January

NGET	<p>Title: CONSULTATION DOCUMENT - Modification Proposals to the Use of System Charging Methodology</p> <p>GB ECM 03 LDTEC Charges and GB ECM 04 Multiple STTEC Charges</p> <p>Issued: 2 December Response due: 6 January 2006</p> <p>Link: http://www.nationalgrid.com/NR/ronlyres/936968B1-2D29-4E00-AC37-EE049BA89D02/5303/GBECM03andGBECM04ConsultationDocument.pdf</p>	2 December	6 January
Better Regulation Task Force	<p>Title: Routes to Better Regulation</p> <p>A Guide to alternatives to classic regulation</p> <p>Link: http://www.brtf.gov.uk/docs/pdf/routes.pdf</p>	5 December	
NGET	<p>Title: Balancing Principles Statement Report for the period 1 October 2004 to 30 September 2005</p> <p>Link to NGET's report: http://www.nationalgrid.com/NR/ronlyres/57DD87F2-DE5B-419D-88A3-5503555DC98E/5082/FifthBPSreportFINAL.pdf</p> <p>Link to auditor's reports : http://www.nationalgrid.com/NR/ronlyres/30BDDA8C-2698-4877-8817-5463990C25D4/5083/BPSOpinionfinal0905PDF.pdf</p> <p>& http://www.nationalgrid.com/NR/ronlyres/7EEC3983-D7D6-4594-8642-1023459DBEAB/5084/BPSSupplementaryReport0905PDF.pdf</p>	5 December	
Ofgem	<p>Title: Electricity Distribution Cost Review 2004/05</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13123_263_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	6 December	comments are requested by the end of April 2006
DTI/EST	<p>Title: Potential for Microgeneration, study and analysis</p> <p>Link to press release: http://www.gmn.gov.uk/environment/detail.asp?ReleaseID=181382&NewsAreaID=2&NavigatedFromDepartment=False</p> <p>Link to report: http://www.dti.gov.uk/energy/consultations/pdfs/microgeneration-est-report.pdf</p>	12 December	
NGET	<p>Title: The Statement of the Use of System Charging Methodology (Issue 1 Revision 2)</p> <p>Link: will be at: http://www.nationalgrid.com/uk/Electricity/Charges/chargingstatementsapproval</p>	13 December	
Ofgem	<p>Title: Climate Change Levy exemption for CHP</p> <p>Ofgem's guidance for exporting 'good quality' CHP generators</p> <p>Link:</p>	13 December	

	http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13174_264_05.pdf?wfrom=/ofgem/whats-new/archive.jsp		
Ofgem	Title: Transmission investment for Renewable Generation – Scottish Power Transmission Limited’s Submission to Ofgem to upgrade the Scotland/England Interconnector: Ofgem’s decision Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13178_267_05.pdf?wfrom=/ofgem/whats-new/archive.jsp	14 December	
DTI	Title: Measuring Instruments Directive: Implementation – Gas & Electricity Meters Consultation on proposed regulations Link: http://www.dti.gov.uk/energy/consultations/measuring_instruments.pdf	14 December	10 March
TIC	Title: NEW INQUIRY The Work of the Nuclear Decommissioning Authority (NDA) and the United Kingdom Atomic Energy Authority (UKAEA) Link: http://www.parliament.uk/parliamentary_committees/trade_and_industry/tisc_pn17_0506.cfm	14 December	Written evidence by 27 January
Ofgem	Title: Transmission price control review Second consultation Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13206_277_05.pdf?wfrom=/ofgem/whats-new/archive.jsp	15 December	30 January
Ofgem	Title: Cost recovery and incentive mechanism for transmission investment for renewable generation baseline projects Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13194_275_05.pdf?wfrom=/ofgem/whats-new/archive.jsp Links to Licence changes: SP Transmission Limited: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13193_274_05.pdf?wfrom=/ofgem/whats-new/archive.jsp NGET: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13193_274_05.pdf?wfrom=/ofgem/whats-new/archive.jsp SHETL: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13191_272_05.pdf?wfrom=/ofgem/whats-new/archive.jsp	15 December	
Ofgem	Title: Consultation on electricity distribution use of system charging modification proposal: Central Networks - excess capacity charges Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13186_Cons_doc_Mod_proposal_CN_Excess_capacity_Dec05.pdf?wfrom=/ofgem/whats-new/archive.jsp	15 December	27 January
Ofgem	Title: Comfort letters provided by Licensing for power	15	

	<p>projects</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13189_271_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	December	
Ofgem	<p>Title: Enduring transmission charging arrangements for distributed generation - invitation to an industry meeting</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13210_279_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	16 December	6 January
Ofgem	<p>Title: Notice under section 11(2) of the Electricity Act 1989 - Transmission reliability incentive: Scottish Hydro-Electric Transmission Limited</p> <p>Links (SHETL): http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13218_284_05.pdf (SPT) http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13217_283_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	16 December	20 January
Ofgem	<p>Title: Fuel Mix Disclosure by Electricity Suppliers in Great Britain Guidelines</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13216_282_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	16 December	
Ofgem	<p>Title: Notice under section 11A of the Electricity Act 1989 Proposal to modify the licences granted or treated as granted under section 6(1)(c) of the Electricity Act 1989</p> <p>Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13215_281_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp</p>	16 December	20 January
DEFRA/EU	<p>Title: Implementation of the Revised Large Combustion Plants Directive (LCPD)</p> <p>Link to relevant documentation: http://www.defra.gov.uk/environment/airquality/lcpd/index.htm#proposals http://www.defra.gov.uk/environment/airquality/lcpd/pdf/lcpdop_tout-directions0512.pdf</p>	16 December	
Ofgem	<p>Title: Proposal to modify standard condition D3 of licences granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 & Title: Proposal to modify standard condition C17 of licences granted or treated as granted under section 6(1)(b) of the Electricity Act 1989</p> <p>Links: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13223_</p>	16 December	20 January

	288_05.pdf & http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13222_287_05.pdf		
Ofgem	Title: Licence fee cost recovery principles Link to principles: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13308_Licence_fee_cost_recovery_principles_December_2005.pdf Links to licence changes: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13307_Ofgem_Modification_notice_-_electricity_transmission.pdf http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13306_Ofgem_Modification_notice_-_electricity_distribution.pdf	20 December	Effective from 20 December
Ofgem	Title: Prepayment meters: Update document on new powers under the Energy Act 2004 including draft statutory instrument Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13224_289_05.pdf	26 December	10 February
Ofgem	Title: National Grid Electricity Transmission System Operator Incentives 2006-7 Link: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13405_Initial_proposals_letter_FINAL_corrected.pdf Link to appendices: http://www.ofgem.gov.uk/ofgem/whats-new/index.jsp?section=whats-new&levelids=,1_12499#top12499	22 December	2 February
Ofgem	Issue: The GB queue for applications to connect to the transmission network – applications post 1 April 2005 and applications pre 1 April 2005 16 December : http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13220_285_05.pdf 15 December: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13188_270_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp 1 December: http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13050_261_05.pdf?wtfrom=/ofgem/whats-new/archive.jsp		
ELEXON	Draft BSCCo (ELEXON) Business Strategy and Annual Budget Link: http://www.elexon.co.uk/documents/Consultations/Draft_BSCCo (ELEXON) Business Plan 2006 - 2009/ELEXON Draft Strategy and Budget 2006-09_consultation.pdf		16 January
DTI	Title: Commencement of section 179 of the Energy Act: Amending the definition of electricity supply		Commences 1 April

BSC and CUSC Mods & Decisions December 2005			
BSC Mods decisions.....			
P191	Revised definition of Balancing Mechanism Unit to include Power Park Module Panel recommendation: Approve.	APPROVED	Implement 21 December 2005
P193	Improved Arrangements for Modification Proposals. Status: APPROVED 16 December 2005. Implementation date: 22 December Panel recommendation: Approve.	APPROVED	Implement 22 December 2005
BSC – new Mods.....			
P197	SVA Qualification Processes Review	Raised by Laing Energy	On 12 December
P198	Introduction of Zonal Transmission Losses	Raised by RWE Npower	On 16 December
CAP Decisions...			
CAP099	Incorporation of Additional Credit Management Tools within the CUSC in line Current Best Practice	APPROVED	Implement 21 December 2005
CAP105	National Grid's Name Change	APPROVED	Implement 21 December 2005
CAP100/101	(Revision of CUSC Provisions to ensure that Amendment Reports contain collective CUSC Panel Recommendation, Removal of the Amendments Panel Chairman's Casting Vote – In the context of Amendments Panel Recommendation Vote	APPROVED	Implement 10 January 2006
CAP103	Flexibility of Working Group Internal Procedures	APPROVED ALTERNATIVE	Implement 10 January 2006
New CAPs			
CAP 107	CAP107 (Redefinition of Response Energy Payment (REP) for Mandatory Frequency Response)	Eon	
CAPs (108 – 112)	Housekeeping Amendments	NGET	