

**MINUTES OF THE SECOND MEETING OF THE
ENSG TRANSMISSION STUDIES PROJECT WORKING GROUP
Held at BERR, 1 Victoria Street, London SW1 0ET
10.00 AM, WEDNESDAY 1st OCTOBER 2008**

Present

BERR	John Overton (Chairman)
BERR	John Spurgeon
Ofgem	Graham Knowles (for Stuart Cook)
Crown Estates	Danielle Lane (non-member, presenting)
National Grid	Chris Bennett
National Grid	Andy Hiorns
National Grid	David Paradine
Scottish Power	Colin Bayfield
Scottish & Southern Energy	Mike Barlow
SKM	Floren Castro (advisor to BERR)
Scottish & Southern Energy	Keith Maclean
EdF	Dave Openshaw
Eon	Guy Phillips
British Energy	Rob Rome
Trade Associations	Robert Longden
RES	Richard Ford
AEA	Henry Parkinson (Secretariat)

Apologies

Ofgem	Stuart Cook
Ofgem	David Hunt
RWE	Nic Rigby
BERR	Ian Lomas
BERR	Phil Hicken

1. Welcome and Introduction

- 1.1 The Chairman welcomed the participants to the meeting and invited members to introduce themselves. Apologies for absence were noted. The agenda was reviewed and accepted. The chairman briefly re-iterated the role and purpose of the group for the benefit of those who had not attended the previous meeting.

2. Minutes and Actions

- 2.1 The Chairman asked the Secretariat to review the actions from the last meeting.
- 2.2 The first and last actions (paragraphs 2.2 and 5.2 of previous minutes refer) to review and update the draft terms of reference for the GB Electricity Transmission Study had not been undertaken as an earlier version of the document had been circulated rather than the updated one. This will be rectified.

Action 1: The Study Team to circulate the updated terms of reference for the GB Electricity Transmission Study.

- 2.3 The action to provide a comparison between the two GB Electricity Transmission studies had been partially completed through the circulation of paper PWG 2008-04, with only the SKM assumptions for demand outstanding.

Action 2: SKM to provide assumptions for demand.

- 2.4 The action to obtain a view of the DNOs on what new generation might be connected to the system within their areas had been completed. A table of forecast generation capacity extracted from the DNOs DPCR5 returns was circulated, which gave an indication of possible new distribution connected generation for the period 2010-2015. A number of caveats were noted which need to be borne in mind when interpreting this data, but it was acknowledged as useful input to the studies.
- 2.5 The action to invite Crown Estates was complete as per agenda item 3 below.
- 2.6 Referring to points of clarification which had been raised on the previous minutes, it was noted that:
- in paper ENSGR 2008-07 under section 4 (first bullet) where 'renewable and conventional generation' was referred to, this is understood to include nuclear and other low carbon technologies;
 - it would be helpful to have interim arrangements shown within the National Grid's High Level Programme Plan.

Action 3: National Grid to consider including Interim arrangements within the NG programme plan.

- 2.7 The chairman raised the issue of approval and publication of minutes noting that there was a desire to publish them promptly while allowing adequate time

for review. Whilst the general consensus was that a process should be established to ensure prompt publication of minutes, there was concern that to publish draft material or material the purpose of which was to report progress and stimulate discussion, could be misleading or later found to be inaccurate, in part because it is “work in progress” and subject to change / further development. It may also contain information that might be considered commercially sensitive. It was agreed that it should be the group’s final outputs that were published.

3. Crown Estates Offshore Wind activity

3.1 The Chairman invited Crown Estates to deliver a presentation on their activities relating to offshore wind development.

3.2 A number of key issues were identified during the presentation and in the discussion which followed including:

- there are potential cost benefits to be had from a more co-ordinated approach to development;

- earlier onshore transmission development work may be required to enable timely availability of connection capacity;

- the studies undertaken for the Crown Estates have identified (at least in outline) a possible connection approach for each of the round 3 offshore zones;

- there is risk that supply chain issues could impose constraints and will therefore need to be included in the planning and scheduling of developments.

3.3 The Chairman thanked Crown Estates for their presentation.

4 GB Electricity Transmission Study

4.1 The Chairman invited the National Grid, SHETL and SP Transmission Study Team to present their report on progress with the work they are jointly undertaking on the GB Electricity Transmission Study.

4.2 This was a complex and detailed presentation which cannot easily be simplified. It was also noted that it was very much a work in progress. A number of key issues were identified during the presentation and in the discussion which followed including:

- the successful completion of the Beaulieu-Denny works is assumed as a pre-requisite for all the analyses undertaken;

- a simple analysis shows that while possible changes to transmission access and the SQSS will likely enable increased generation connection, there will still be a need for increases in transmission capacity;

- following on from the above, the work had so far identified a number of ‘no regrets’ developments for the network which demonstrated significant benefits against the likely future scenarios and would likely be required to facilitate the 2020 targets. A number of additional development were identified where

some initial planning work might be prudent;

- linkages between the development of the transmission infrastructure and National Planning Statements were recognised as important to explore;

- the role of models for strategic investment was noted as an important factor in delivering required developments.

- 4.3 There was broad support for the direction in which the studies were progressing. A number of further details were raised where further discussion will continue outside the meeting. The Chairman thanked the team for their presentation.

5 Forward Plan and Next Steps

- 5.1 The Chairman opened the discussion by inviting members to identify the key messages which the group should deliver back to the main ENSG for their meeting on 23rd October.

- 5.2 It was agreed that it was important to get agreement on the concept of the preliminary findings, in particular:

- the proposal for 'No Regret' Investments i.e. where the analysis of agreed scenarios and appropriate sensitivity studies have indicated a firm need by 2015;

- and the proposal for 'Design/consent only' Investments i.e. those needed by 2020 but with no need to make a firm commitment to undertake construction at this stage.

- 5.3 As reflected from the discussion above, it was also noted that it would be important to emphasise the inter-connected nature of activities thinking particularly about the technical solutions (which the working group had focussed on), the planning issues and strategic investment mechanisms.

- 5.4 Concerns over supply chain were also raised as a key issue and it was suggested that ENSG might like to flag these to Office of Renewable Energy Deployment.

- 5.5 The question was raised as to how the contribution from Northern Ireland would be integrated into the UK targets. The Chairman noted that this would be picked up in separate bi-lateral meetings between BERR and their Northern Irish counterparts.

- 5.6 The Chairman concluded the discussion by thanking the Transmission Study Team for their hard work and asking them to produce a summary document of the work so far and the key messages coming out which could be circulated to the working group for comment prior to submission to the ENSG.

Action 4: The Study Team to produce a summary of the Working Group's report with the key issues identified for circulation to the Working Group by 10th October prior to submission to the ENSG.

6. Future Meetings and AoB

6.1. In looking at the forward dates for the working group meetings, it was agreed that the next meeting of the working group would be a useful opportunity for a discussion of the methodology to be applied for the cost benefit analysis to be applied in the study. This would therefore form the main agenda item for the next meeting. An additional meeting of the group would be required in early January to review the outcomes of the work. Given this, it was also suggested that it would seem appropriate that the ENSG group should also meet in January or early February.

6.2. Dates for the next two meetings of the working group were therefore agreed as:
- Wednesday 5th November 2008
- Tuesday 13th January 2009.

Further details to be circulated with agendas.

6.3. The Chairman thanked the members for their attendance and input and closed the meeting.

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