

**KEY POINTS AND ACTIONS FROM THE FIFTH MEETING OF THE
ENSG TRANSMISSION STUDIES PROJECT WORKING GROUP
Held at BERR, 1 Victoria Street, London SW1 0ET
10.00 AM, TUESDAY 13th JANUARY 2009**

Present

DECC	John Overton (Chairman)
DECC	John Spurgeon
DECC	Giles Holford
Ofgem	Stuart Cook
Ofgem	Cheryl Mundie
National Grid	Chris Bennett
National Grid	Andy Hiorns
SKM	Floren Castro (advisor to DECC)
Scottish Power	Colin Bayfield
Scottish Power	Alan Michie
Scottish & Southern Energy	Mike Barlow
Scottish & Southern Energy	Aileen McLeod
RES	Richard Ford
Trade Associations	Robert Longden
Scottish & Southern Energy	Keith Maclean
Eon	Guy Phillips
British Energy	Rob Rome
RWE	Charles Ruffell
The Crown Estate	Danielle Lane
AEA	Chris Naish (Secretariat)
AEA	Matthew Morris (Secretariat)

Apologies for absence

EdF	Dave Openshaw
RWE	Nic Rigby

Actions from Previous Meeting

1. The secretary reported that there were 6 actions from the previous meeting. Agenda items at this meeting addressed 5 of these. In addition it was noted that the action on the study team to provide estimated costs for the proposed transmission work and the related TNUOS charges for transmission zones would be held over to the next meeting of the group.
2. The minutes were accepted as correct. The final agreed minutes from ENSG-PWG 4 are circulated to the group with this note.

Crown Estates presentation

Key points:

3. 90% of cost falls offshore higher cost so must prioritise optimisation offshore systems to keep costs low.
4. Constraints on cable manufacture & competition from overseas projects for hardware.
5. Onshore transmission work assumed to require O/H lines – results in approx 7 year time horizon.
6. At the present time there appears to be, or there will be, sufficient cable laying vessels – needs to be confirmed and depends on policies and developments in other countries
7. Cranes for offshore assembly could be a constraint, however investments are being made and the situation going forward depends on rates of development versus investment in suitable equipment.
8. There may be benefit in sharing information with companies investing in/developing interconnectors.

Report conclusions:

9. Further than 60-80 km from shore switch from AC to DC technology is generally beneficial.
10. There is a technology risk with DC it has been done before but not to same extent as some of the proposed UK installations.
11. There is competition in the offshore market, how this develops could affect UK development timelines and lead to delays.
12. Designs are dictated by available technology – the technology used in later schemes is likely to be different from that used in the first phase of offshore developments.
13. There are likely to be significant benefits from co-ordinating offshore and related on-shore development work.

14. No regrets offshore reinforcement is essential to delivering the current targets and the rest of the phase 3 developments.

National Grid – Round 3 Connection assessment

Key Points:

15. Linked to UK Offshore Energy Strategic Environmental Assessment
16. Essentially addressing how to accommodate up to 25 GW of Round 3 projects. .
17. Largest concentration of generation is off the East coast – 16GW - but also tends to be at the high end in terms of cost per MW connected – because further offshore and hence uses less developed DC technology.
18. Onshore development is likely to take longer than offshore – substation and O/H line approvals process is key.
19. Timescale is ambitious and challenging but achievable – as long as strategic investments takes place at the right time – in some cases this is as early as this year 2009.

National Grid, SHTL and SPTL – Update on 2020 Study

Key points:

20. Fuller information provided and some minor changes to proposed plans noted (e.g. need for additional sub-station in south of Scotland replaced by additional cabling to Torness).
21. Series compensators allow the full thermal capacity of the interconnectors to be utilised.
22. Challenges on timescales – (1) Sea bed consents on proposed west coast interconnector involve 4 jurisdictions – England, Scotland, Isle of Man and Northern Ireland; (2) Series compensators require substations – planning and siting issues.
23. The work as presented over the last 3 meetings is now ready to go to the ENSG, apart from some additional work on the issues in the London area.

Points from Discussion:

24. 'No regrets' on main proposals are based on overall predicted system volumes.
25. For more local changes in networks they can be specific to a number (generally between 2 and 4) (e.g.) windfarms going ahead.
26. There needs to be full clarity on what is and is not included in the numbers presented in the various tables (e.g. Forecast Generation data).

27. What are the risks that problems are discovered once the system goes live (harmonics, compensator resonances etc)? These are hopefully minimised through good design and planning however this also raises the issue of availability of suitable staff with the correct expertise to deliver the designs etc.

Ofgem - Current Transmission Incentives Consultation

Key Points:

28. Two stage approach – bring forward immediate solutions to address current hold ups and secondly look at developing longer term solutions for later in 2009.

Points from discussion:

29. Will individual projects be subject to individual scrutiny under forward plans?
30. Are NG in a better position to make informed decisions in relation to the incentive framework than the Scottish TOs who are constrained by Regulatory rules separating transmission and network operation?
31. TOs indicated they are generally content with Ofgem's proposals.
32. Ofgem are committed to making the revised proposals work – agreed and necessary pre-construction costs should be accommodated within the regulatory framework.

Group Feedback on CBA, NG/TO 2020 report summaries, 2020 report template and 2030 scenarios

Key Points:

33. See also comments/feedback note (attached with e-mail).
34. Any other comments should be sent to the Study Team by the weekend of January 17/18th (this coming weekend). It will be assumed that those not commenting are generally happy with the proposals as presented and agree with the way forward proposed.
35. The Study Team will now be concentrating on producing their report which will be produced by 27th January. This will be accompanied by an extended Executive summary (this may follow a few days later) both will be available for the next ENSG-PG meeting arranged for 4th February 2009.
36. It is envisaged that the standalone extended executive summary, will form the core of the expected publication being 'top and tailed' by the ENSG and published as an ENSG output. The full report will also be available to the ENSG.

Summary of Actions from Meeting

37. **Action 1** Secretariat to provide a Summary of key points and actions from the meeting (this note)
38. **Action 2** All members to provide any further comments on the 2020 NG/TO study and its proposals to the study team by the weekend of 17/18th January 2009.
39. **Action 3** Study Team to provide Phase 1 report to the ENSG-PWG Secretariat by 27th January for onward transmission to the ENSG-PWG members.
40. **Action 4** Study Team to provide an 'extended executive summary'/synthesis report ahead of the ENSG-PWG meeting on 4th February 2009.
41. **Action 5** DECC to discuss with the SEA/consents team at DECC to provide clarity on the overall process going forward.

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