

Balancing Services Standing Group

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CUSC Amendments Panel 18/3/05

Where are we.....?

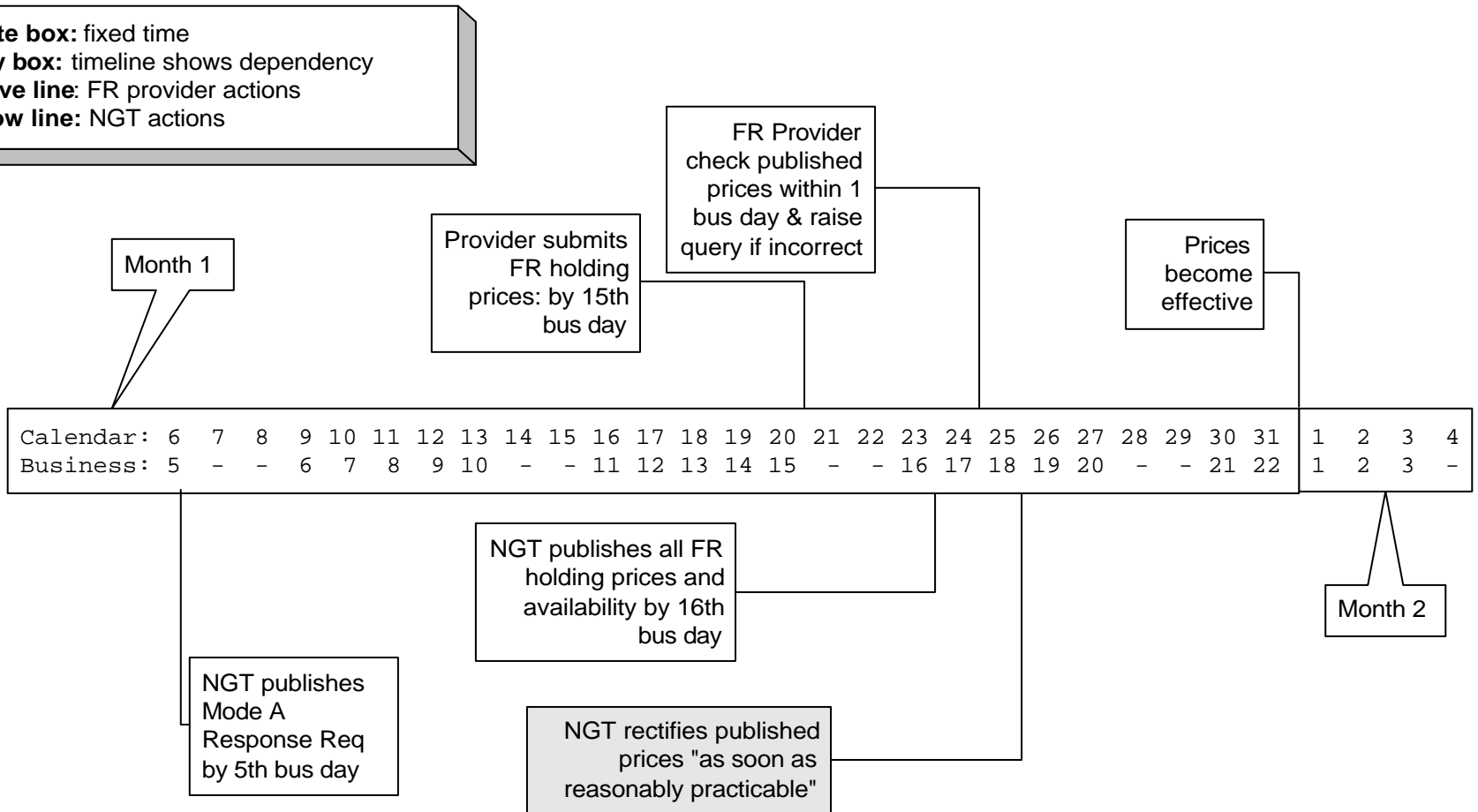
- CAP076 Assessment completed in December 2004
- Progress and Way Forward Report circulated in January 2005
- Six-month extension granted
- Two meetings so far in 2005

Work areas (1) - Frequency Response

- CAP047 due for implementation on 1/10/05
 - walk-through on how it will work
 - review of process to determine if there are any obvious errors
 - associated areas where further consideration may be required (e.g. monitoring of delivery)
 - NGT will keep the group informed of IT developments prior to implementation
- Consideration of models for longer term response developments
 - separation of response from energy market
 - integration of response into the Balancing Mechanism
 - further work ongoing to develop appropriate market models and workplan
 - possible interaction with NGC Reserve Review

CAP47 Time Line

White box: fixed time
Grey box: timeline shows dependency
Above line: FR provider actions
Below line: NGT actions



Work areas (2) - Maximum Generation Service, Reactive Power

- Maximum Generation Service
 - contract and payment mechanisms now contained within the CUSC
 - no service utilisation
 - no issues to consider
- Reactive Power
 - 'Watching brief' approach endorsed
 - Review of existing market information
 - no specific actions identified

Work areas (3) - 'Buy-out' and Distributed Generation

- 'Buy-out' of obligations relating to mandatory services
 - paper underway identifying the key issues that need to be addressed to facilitate the ability to 'buy-out'
 - presentation to a subsequent CUSC Amendments Panel
- Distributed Generation
 - no specific work undertaken

BSSG Membership

- BSSG membership/representation is good from established E&W players
- Lack of representation from Scottish companies
- Limited representation from smaller players

Summary

- BSSG continues to work through its terms of reference
- Will report to CUSC Amendments Panel as required
- Some issues on membership
- Next 'formal' progress report is due in July 2005