

PUBLICATION OF PAPERS FROM BPG December 2003 Meeting

This note describes the papers that are now being published, in the form of Annexes to this note, arising from the BETTA Progress Group (BPG) Meeting held on 4 December 2003.

BPG 04-12 Papers

The following papers are published

- **Agenda** The agenda for the meeting is at Annex 1
- **CDA Update** This paper is at Annex 2
- **Communications Plan** This paper is at Annex 3
- **Minutes** The minutes of the meeting are shown at Annex 4

Annex 1

**BETTA PROGRESS GROUP MEETING
10AM ON 4 DECEMBER 2003 AT THE OFGEM OFFICE, GLASGOW
AGENDA**

1. Note of Last Meeting
2. Actions Arising DH
3. Transition planning DH
4. Programme Plan KM
 a Traffic Light Report & Commentary
5. CDA Update TMc
6. Communication Plan DH
7. Programme Board Reports All
8. AOB

Annex 2

CDA Update

Report Number	CDA001	Month Ending	November 2003
<p>Summary: The BETTA CDA was established this month and has concentrated on two key areas:</p> <ul style="list-style-type: none"> ➤ The base-lining and adoption of the assumptions, risks and issues currently existing within the programme, ➤ The development of a procedure to manage and progress new assumptions, issues and risks, and to perform Change Management upon key documents going forward. <p>The CDA facilitated a Risk Workshop with the PMG where a consensus was reached on the risks within the programme and their potential likeliness and impact.</p> <p>Future risks, issues and assumptions will be raised using the procedures documented within the CDA Working Practices paper.</p> <p>The role of the CDA was introduced to the STEG and DGs where it was well received. Issues, risks and assumptions raised during the November DGs will be logged and progressed throughout early December using the new process.</p>			
Assumptions			
<p><i>Raised this month:</i></p> <ul style="list-style-type: none"> • Commences December 			
Issues			
<p><i>Raised this month:</i></p> <ul style="list-style-type: none"> • Commences December 			
Risks			
<p><i>Raised this month:</i></p> <ul style="list-style-type: none"> • Commences December 			
For the attention of BPG:			
<p>Nothing to raise this month.</p>			

Annex 3**Communications Plan for BETTA**
A Paper to the BETTA Progress Group

For information

1. Purpose

There are two distinct objectives of this Communications Plan:

- i) To encourage parties affected by the implementation of BETTA to commence discussions with National Grid and ELEXON regarding the agreements they will need to enter into; and
- ii) To raise the profile of the BETTA Programme and its implications on participants to a wider audience so as to ensure parties who may have future interests in the trading arrangements are aware of where to find further information.

In the first instance, Ofgem/DTI will need to initiate the communications process to provide legitimacy for more detailed information being provided by National Grid and ELEXON. The following sets out the planned approach to the initiation phase and an overview of the more detailed work which will need to be undertaken, largely by National Grid and ELEXON.

It will be important as BETTA moves towards implementation that communications from the three key organisations remains consistent and, where relevant, activities are co-ordinated. This plan does not address these matters at this stage but anticipates that they will be addressed as the work is taken forward. This communications plan has been discussed with NGT and with ELEXON, SPTL and SHETL before being presented to the BPG.

2. Who are Ofgem/DTI trying to communicate with?

In accordance with the objectives identified above, the organisations Ofgem/DTI wish to communicate with fall into three natural categories – those directly affected by BETTA who do not have any interaction with NGT, those who currently have agreements with NGT and those parties with a more general interest. The following identifies the parties within each of these categories. Note that some parties may appear in both categories and even within more than one of the identified sub-categories, but it is considered necessary to identify all possible organisations for the avoidance of doubt.

Parties directly affected by the implementation of BETTA who do not have any interaction with NGT consist of:

- (a) Parties with current agreements with Scottish Transmission Licensees who will need these agreements run-off and replaced with agreements with the GBSO under BETTA. This category includes all parties with connection agreements and/or use of system agreements who may, or may not, be licensed, and also includes Moyle Interconnector Users;

- (b) Scottish Distribution Licensees who may or may not have an agreement with a Scottish Transmission Licensee, who will need a connection agreement with the GBSO under BETTA;
- (c) Embedded generation that may or may not have an agreement with a Scottish Transmission Licensee, who will need an agreement with the GBSO under BETTA - those parties with an agreement form a subset of (a) above;
- (d) Future transmission users (including renewables), who may or may not have already been in touch with the Scottish Transmission Licensees, but want to connect or use the transmission system in Scotland; and
- (e) Signatories to the Settlement Agreement for Scotland who will need to accede to the GB BSC under BETTA

In order to identify the full set of parties who comprise the above:

- It is understood that the list of signatories to the SAS (under (e) above) will encompass all licensed parties under (a) and (c) above – this list is in the public domain;
- Ofgem has a list of all generation in Scotland which will ensure verification of the above list for licensed embedded generators as well as un-licensed embedded generators, ensuring full coverage of the parties identified under (c) above;
- Ofgem has obtained a list of un-licensed transmission connectees to complete the list of parties under (a) above;
- There are only two organisations under (b) – Scottish Power Distribution plc and Scottish Hydro-Electric Power Distribution Limited; and
- It is assumed that the Scottish Transmission Licensees have complete lists of all parties who have contacted them in relation to (d) above.

Parties who currently have agreements with NGT or have a more general interest in the BETTA arrangements are:

- (f) Parties with current agreements with National Grid who will migrate to the GB Grid Code and GB CUSC;
- (g) Signatories to the Balancing and Settlement Code who will migrate to the GB BSC;
- (h) Future signatories to the GB BSC.

It is not envisaged that Ofgem will communicate with those parties that have agreements with National Grid, those who are signatories to the BSC in England and Wales or those who may have a general interest in BETTA.

3. What are the phases of the communication plan?

Phase 1: Ofgem Website

Ofgem is developing a BETTA microsite for inclusion on the main Ofgem website. Its structure is (broadly) expected to be a cover page containing general information

regarding BETTA together with links to existing BETTA material within the Ofgem website. For the purposes of this Communications Plan it is planned that the cover page is utilised to provide a general description of BETTA, including an outline of the legislative timetable with reference to the link to the BETTA Plans for further information. The text will also contain the following key messages:

- BETTA is progressing towards April 2005 implementation;
- Under BETTA the documents defining trading and transmission arrangements will be the GB BSC, GB CUSC, and GB Grid Code;
- An outline of the role of Ofgem/DTI in the ongoing consultation process – this could contain references to other areas of the Ofgem website containing consultation documentation pertinent to BETTA;
- An outline of the role of National Grid and status of GBSO appointment process – this would have link to the National Grid website;
- An outline of the role of ELEXON under BETTA in settlement/metering/GB BSC – this would have a link to the BETTA microsite on the ELEXON website;
- Text which highlights very clearly that Transmission Users in Scotland, and anyone directly interfacing with the existing SAS arrangements will be affected, as will the two Scottish distribution licensees;
- Identify what changes will occur for such parties – i.e. that existing agreements and arrangements with Scottish transmission licensees and/or Scottish Settlements will need to change at BETTA Go-Live;
- And finally the key message - All existing, or future, users of these services will need to contact both National Grid and/or ELEXON to explore the issues associated with gaining access to GB Transmission and Market Arrangements under BETTA after March 2005: This could be reinforced through the links to the respective websites or provision of contact telephone numbers/e-mail addresses within the respective organisations.

The emphasis of the content should be that BETTA Go-Live is only a year and a bit away and that it is the interests of all Parties that feel they may be affected by BETTA to meet with National Grid and ELEXON at the earliest possible opportunity.

To assist parties understand the impact of BETTA further, it would be useful to have a link to a document that sets out the activities that a party will need to undertake. Such activities would be in the form of a simple list of questions such as:

Do you have a connection agreement with either of Scottish Power Transmission Limited or Scottish Hydro-Electric Transmission Limited?

If so you need to contact National Grid to open negotiations on entering into the GB CUSC. The GB CUSC is.....[concise description] . Ofgem held a consultation on the GB CUSC in [date] and a copy of the document can be found.....[etc.]

More detailed questions and matters which parties will need to consider could follow in relation to each of the documents, for example the need to establish Balancing Mechanism Units, Metering Systems and their aggregation rules etc. The level of detail

should be sufficiently high so as not to confuse the reader but should make clear that parties will need to give attention to the work necessary to prepare for BETTA.

To maximise the impact of the implementation of the microsite, an Ofgem press release or standard email notification will be issued and the main Ofgem website will announce the implementation of the microsite under the Stop Press feature.

While the intention would be to draft the website text in such a way as to avoid the need for it to be maintained (for example by making reference to subjects and not timings) it is recognised that, inevitably, parties will want to see more information rather than less. It is anticipated that such information will, in general, be provided on either the National Grid or ELEXON websites. Any information needing circulation via Ofgem (for example if a seminar is considered necessary) would be broadcast using the website (via the Stop Press feature) and via direct e-mail as normal.

Phase 2: Direct Communication with parties impacted by BETTA

In order to ensure the key messages reach this critical audience (i.e. the parties identified in (a) to (e) above), Ofgem will send a letter to each of the parties. The letter will repeat the key messages identified on the website (drawing reference to the website for further information) and will draw particular attention to issues currently being, or planned to be, consulted upon which parties may find of interest. The letters will also identify the current status of the work, including the status of National Grid as the GBSO, and will reaffirm the need for these parties to contact National Grid and ELEXON to progress discussions in a timely manner.

Ideally this letter should be issued as soon as practicable in order to engage the parties so as to facilitate their understanding of BETTA and the impact it will have upon them. It is recognised that while some policy issues remain to be resolved it may not be possible for ELEXON and, in particular, National Grid to provide comprehensive information to parties in relation to the various aspects of the new arrangements that will impact upon them. It is however considered preferable to identify the relevant parties and commence a dialogue with them soon in recognition that while it will not be possible to provide them with all the answers they seek, it will be possible to provide them with certain basic information and assist their understanding of the general impacts BETTA will have upon them and to engage them in the process so as to facilitate a more rapid conclusion than might be the case if such dialogue was left until all key issues were resolved.

To assist the commencement of direct dialogue between the parties and National Grid/ELEXON, the letter should also enclose introductory letters from these companies.

Different letters will be required for different categories of party - for example Ofgem have already written to unlicensed parties connected to the transmission systems in Scotland and therefore they may require a slightly different letter to, say, possible new connectees to the transmission systems in Scotland - however the key messages will remain similar for all parties.

In addition, to account for future transmission users (category (d) above) who have yet to contact the Scottish Transmission Licensees but who may do so prior to the point in time when all connectees are required to hold discussions with National Grid rather than the existing Scottish companies, a copy of the letter (tailored to suit this category) should be provided to both Scottish Transmission Licensees which they should be asked to provide to such future users when contacted by them. It would also be beneficial if Ofgem were advised of such contacts by the Scottish Transmission Licensees such that

subsequent comparisons between the list of parties held by Ofgem and those parties who have approached National Grid could be undertaken.

Having provided an initial contact with the parties, further direct communication will, in most cases, be left to National Grid and ELEXON to manage individually. Where it is deemed appropriate Ofgem may follow up the mailshot with telephone calls to determine the status of each recipient and gauge the level of understanding and sophistication in each case. However in the case of unlicensed parties connected to the transmission systems in Scotland, Ofgem/DTI will pursue direct meetings with these parties. This will serve to provide further assurance to Ofgem/DTI and National Grid that the parties have recognised the impact BETTA will have upon them and may provide an opportunity for Ofgem/DTI to encourage parties to open a dialogue with National Grid]. As a minimum it will enable Ofgem to be able to identify any party which is likely to resist transfer to the new arrangements and to gain an understanding of their concerns.

Phase 3: Discussions between Users and GBSO/ELEXON/Scottish Parties

Based on the successful establishment of initial contact with all parties¹ under the first two phases, each customer will need to be engaged in dialogue leading in the case of National Grid to negotiations on the necessary contracts and in the case of ELEXON to the necessary registration and data capture for settlement purposes.

Whilst some dialogue is already happening with parties who are currently in contact with National Grid and ELEXON on an exploratory basis, it is expected that the number of parties will increase. As issues are finalised during this period further information will be available to parties, reducing the level of uncertainty.

If sufficient interest is expressed in seminars, these can be arranged. If appropriate such seminars could involve Ofgem, National Grid and ELEXON or a single organisation. All three organisations will need to continue to co-ordinate appropriately.

Conclusion

This paper is provided to BPG for information.

¹ It may be necessary for Ofgem, National Grid and ELEXON to compare the list of parties so as to ensure all parties have approached National Grid and ELEXON.

Annex 4

BETTA Progress Group – Ofgem (Glasgow)
Note of Meeting: 4 December 2003

Present:	David Haldearn (DH)	Ofgem (Chair)
	Douglas Wright (DW)	SP
	Robin MacLaren (RM)	SP
	Mike Barlow (MB)	SSE
	David Densley (DD)	SSE
	Charles Davies (CD)	NGC
	Adrian Jarvis (AJ)	NGC
	Brian Saunders (BS)	Elexon
	Giles Sibun (GS)	DTI
	Ken Murray (KM)	Ofgem
	Cath Martindale (CM)	Ofgem
	Yvonne Naughton	Ofgem
	William Robertson (WR)	Ofgem
	Tara McGeehan (TMc)	CDA

1. Note of Last Meeting

1. The note of the meeting of 4 November was agreed.

2. Actions arising

2. DH reviewed the actions from the last meeting. These were either achieved or covered under agenda items.

3. Transition planning

3. DH outlined Ofgem's proposed approach to transition which would involve the transitional arrangements being embedded in each of the documents and the owner of the enduring document taking responsibility for the document and its transition. This would mean that NGC and Elexon would play a leading role, with Ofgem/DTI responsible for the legal and regulatory framework, and SP/SSE responsible for the run-off of existing Scottish documents.

4. BPG were comfortable with this approach. It was noted that it had the advantage of avoiding a large NETA-style signing session.

5. There was some discussion about what was meant by NGC/Elexon playing a leading role and, in particular, whether this meant they had the authority to decide the dates in the transition plan. It was noted that it was Ofgem/DTI who would make the final decisions on dates.

6. KM reported that Ofgem had now met all of the transmission licensees to discuss transition planning and that he had pulled together the output of these meetings into a first cut of a high level transition plan.
7. Noting that this high level plan was not complete, it was suggested that it should include a workstream for incentives. Concern was also expressed about the use of the word "training" rather than "knowledge transfer".
8. It was noted that a meeting between Ofgem and the transmission licensees would take place on 9 December. This would consider access rights for new generators and the way forward on the connections process would fall out of the work of this group.
9. There was some discussion about the publication of the transition plan. It was agreed that this version would not be published but that we would put something into the public domain in the near future.
10. It was agreed that the next steps were for the programme managers to
 - a) take the output of the various transition workshops and work up a draft high level transition and implementation plan. This would provide the basis for DGs and/or others to use as a basis for working up the detailed plan.
 - b) develop a "plan for a plan" including the steps, timetable and structure that would support working up the detailed plan
11. It was suggested that this should be done in early January with a progress report given to the BPG meeting on 15 January.

Action : PMG

4. Programme Plan

a) Traffic Light Report and Commentary

12. GS reported that the Energy Bill had now been introduced and that it would receive its Second Reading on 11 December.
13. CM gave an overview of the key messages from the traffic light report, in particular in relation to progress in developing alternative data exchange solutions. AJ said that it was important that the DGs did not develop separate "super databases" and it was noted that action was in hand to ensure that this did not happen.
14. It was agreed that more effective tracking of the DG processes was required. KM tabled a draft report which highlighted progress on the delivery of these processes. It was agreed that this report would be included as part of the programme managers' regular reporting to BPG.
15. There was some discussion about whether any changes were needed to the arrangements for developing DG processes to ensure that the right people were

involved at an early stage. It was suggested that the recent issues in relation to DG3 processes were teething problems, caused mainly by insufficient circulation of drafts, and that a rigorous process for signing-off these documents was already in place. It was agreed that the current process would be kept under review.

5. CDA Update

16. TMc reported that, in addition to attending DG meetings, the CDA's work in November had involved baselining risks, issues and assumptions. A first cut of the registers would be published on the BETTA extranet on 5 December.

17. It was noted that the CDA had drafted a document setting out its working practices. This would involve the CDA meeting Ofgem programme managers on a weekly basis to agree issues and risks.

18. There was some discussion of how the CDA would ensure that issues did not remain unresolved in the DGs. TMc explained that the working practices document included arrangements for escalating those issues to Ofgem, STEG and BPG.

6. Communications Plan

19. DH reported that there was likely to be an increased interest in BETTA now that legislation had entered the House. He presented a plan for communicating with affected parties which included the launch of a BETTA microsite and a mailout encouraging people to talk to NGC and Elexon.

20. DH reported that Ofgem planned to organise a seminar for small generators in the new year. It was suggested that seminars were an important vehicle for communicating with affected parties and the transmission licensees agreed to participate in this. It was suggested that they should be targeted towards active participants rather than consultants.

21. To avoid clashes of communications events, it was agreed that YN would co-ordinate a plan of events and that the companies would keep her informed of key dates.

Action: Companies

7. Programme Board Reports

22. MB, DW, AJ and BS outlined SSE's, SP's, NGT's and Elexon's reports respectively.

8. AOB

23. It was confirmed that the next meeting would be held on 15 January 2004 at Ofgem's office in London. In addition, a teleconference was being arranged for 16 December 2003.