

Issues to be considered by CORWG

Issues to be addressed can be split up into the following categories with the following priorities:

Priority	Cash out arrangements			Exceptional actions/market suspended	
	Inputs	Tagging	Derivation	Exceptional actions	Market suspended
1	Treatment of standing reserve and warming contracts <ul style="list-style-type: none"> ◆ option fees ◆ non-BMU standing utilisation payments 	NIV tagging <ul style="list-style-type: none"> ◆ remove NIV tagging ◆ proportional NIV tagging ◆ offset NIV tagging 	Marginal vs average in electricity <ul style="list-style-type: none"> ◆ fully marginal ◆ chunky marginal 	Treatment of pre-emergency actions <ul style="list-style-type: none"> ◆ voltage reduction ◆ demand control ◆ SO-SO emergency trades ◆ MaxGen 	Gas emergency cash out and claims review process. This includes cash out during Phase1 of a gas emergency.
2	BSAD <ul style="list-style-type: none"> ◆ remove BSAD ◆ aggregated vs disaggregated ◆ net vs gross ◆ time constrain pre-Gate Actions as under reverse price methodology 	BSAD tagging <ul style="list-style-type: none"> ◆ consistency between tagging methodologies used pre- and post-Gate Closure 	Fixed differentials in gas <ul style="list-style-type: none"> ◆ remove ◆ update methodology ◆ new methodology 	Interactions between gas and electricity emergency cash out arrangements	Interactions between gas and electricity emergency cash out arrangements
3	OMs <ul style="list-style-type: none"> ◆ include vs exclude 	OMs <ul style="list-style-type: none"> ◆ treatment in terms of system vs energy balancing 	Reverse price methodology in electricity <ul style="list-style-type: none"> ◆ update methodology ◆ new methodology 		
4			Scheduling charges in gas <ul style="list-style-type: none"> ◆ update? 		

Clearly, there are several possible ways in which we could approach this. Our proposed approach is to have two main workstrands, as set out in the table above, which are progressed in parallel as follows:

1. **Cash out arrangements.** Inputs, tagging and derivation are sequential stages in the process of calculating cash out prices and, as such, could be considered sequentially in a single workstrand. Given that the issues are interlinked there may be some circularity in the process, but we would envisage beginning the process by considering the input issues (either in full or just focusing on the priority issues), before moving onto to consider those related to tagging and the actual derivation of cash out prices.
2. **Exceptional actions/market suspended.** There are synergies between exceptional actions and emergency cash out when the market has been suspended, which indicate that they could usefully be considered as a single work strand. Given the presence of live mods in relation to emergency instructions in electricity, we would envisage beginning this workstrand with consideration of the gas emergency cash out and claims review process.

Welcome views on this approach.

Draft timetable

Month	Date	From	To	Workstrand being considered	Issue being analysed
January	10/01/2005	13:00	17:00	1	Inputs
	19/01/2005	10:30	16:30	1	Inputs
	24/01/2005	13:00	17:00	2	Gas emergency
February	04/02/2005	10:30	16:30	2	Gas emergency/Review
	07/02/2005	13:00	17:00	1	Inputs
	14/02/2005	10:30	16:30	1	Inputs
	21/02/2005	13:00	17:00	1	Tagging
March	02/03/2005	10:30	16:30	1	Tagging/Review
	07/03/2005	13:00	17:00	2	Gas emergency
	16/03/2005	10:30	16:30	2	Gas emergency
	21/03/2005	13:00	17:00	1	Tagging
	30/03/2005	10:30	16:30	1	Tagging/Review
April	04/04/2005	13:00	17:00	1	Derivation
	13/04/2005	10:30	16:30	1	Derivation
	18/04/2005	13:00	17:00	2	Gas emergency
	27/04/2005	10:30	16:30	2	Gas emergency/Review
May	03/05/2005	13:00	17:00	1	Derivation
	11/05/2005	10:30	16:30	1	Derivation
	16/05/2005	13:00	17:00	2	Exceptional actions
	25/05/2005	10:30	16:30	2	Exceptional actions/Review
	31/05/2005	13:00	17:00	1	Derivation
June	08/06/2005	10:30	16:30	1	Derivation
	13/06/2005	13:00	17:00	2	Exceptional actions
	22/06/2005	10:30	16:30	2	Exceptional actions
	27/06/2005	13:00	17:00	2	Exceptional actions/Review