

**Note of GIGG Meeting
30 April 2004, Ofgem**

1. Jon Dixon (Ofgem) provided an over view of the status of the SPAA arrangements. The decision document [which was published later that day, 30 April] included the Section 23 notices on the proposed licence changes. The document requires responses by 2 June and the final position is expected to be announced on 11 June.
2. On considering who should sit on the SPAA executive, nominations are sought without prejudice, however there is some concern as to how the I&C sector will be represented. Nominations are due by 7 May for the 7 places available. If there are more than 7 nominations the election process set out in SPAA will be adopted. If there are less then the required numbers of nominees, the SPAA allows Ofgem to appoint members for an interim period. If election procedures are not required, the SPAA executive will be confirmed by 11 May, otherwise an expected timetable will be issued to parties along with the list of nominees.
3. Until the SPAA administrative body is in place Ofgem has agreed to provide some interim secretariat support but will accept no decision making authority other than its prescribed role in SPAA.
4. There was some discussion as to the implications of the GTs and the I&C suppliers signing the SPAA without a licence condition and their respective participation as voluntary participants. Jon confirmed that there was no discernible risk to GTs and I&C from signing SPAA. Jon noted that iGTs' primary concern is that this activity may have an adverse impact upon their relative price control. This would be discussed further in the decision document.
5. It was reiterated that for a CLM to fail it needs 20% of the licence holders to vote against it.
6. BGT continue to have concerns that the GTs being participants to SPAA without any financial contribution. BGT are seeking comfort that the costs of elements migrated into SPAA will be shared by the GTs. For example, if future developments require elements of the Network code to be migrated into SPAA then the GT should carry some of the costs. Jon agreed a minor textual change to Schedule 5 of the document to cover this point.
7. Statoil (I&C) felt that there was not currently sufficient benefit for I&C suppliers to sign. Jon reiterated some of the points made in the decision document, such as; with RGMA being governed by the SPAA, it will be essential that I&C suppliers participate in SPAA if they wish to have any ongoing influence over the RGMA Baseline. It was explained that the voting mechanism ensures the I&C constituency has a considerable vote, but that as drafted there would not be an I&C-only constituency. However, this would not preclude a future change proposal to this effect being raised. Some of the domestic suppliers present indicated they would find this acceptable as a means of encouraging I&C participation.

8. The mechanism for the accession to SPAA should be determined by the SPAA executive itself, though given the potential licence obligations, Ofgem may take a view as to when this should be completed by.

Constitution Group

9. Paul Waite (EDF), Chair gave an update presentation on the role of the group. The objective of the group was to ensure the SPAA constitution was fit for inclusion in the document. The areas considered by the group included licence conditions, consumer representation. Slides are available on the Ofgem website. (www.ofgem.gov.uk)
10. It is intended that this group will continue to meet in order to ensure that no key activity or issue remains unresolved. It was confirmed that the consumer representatives will not have a role on the SPAA forum, but not the executive committee. Also, it was further clarified that where suppliers are both domestic and commercial, their accession to one category will not be taken as acceptance of any obligations upon the other.
11. Paul explained the intention that changes raised to the SPAA must include a detailed justification so that the change administrator, parties and ultimately Ofgem can make an informed, robust decision. There was some concern that the Change Administrator may have too much influence but it was stated that the Administrator will be under close direction of the SPAA Executive.

Procurement Group

13. Afroze Miah (Powergen) gave an update on the non-confidential aspects of the procurement group's work. Slides relating to these areas are available on the Ofgem website.