

CfD Market Readiness Steering Board
Wednesday 22nd May 2013 15:30 – 17:00
Minutes and actions

Attendees:

Chair:

Chris Hemsley – Head, Energy Market Design, EMR, DECC

Board members:

Clare Dudeney	Energy UK
Richard Hall	Consumer Focus
David Handley	RES
Paul McCartie	Lightsource
John Perkins	National Grid
Jonathan Smith	First Utility

DECC attendees:

Phil Hicken
 Alex Weir
 Matt Coyne

1.	Introduction		Phil Hicken	
DECC gave an update on Bill timings and explained that advice on whether we need to intervene is with Ministers for their consideration.				
2.	Consultancy reports	Draft reports	Alex Weir	
DECC gave a summary of the consultancy reports.				
3.	Regulatory interventions	Update on DECC's analysis of the Offtaker of Last Resort option	Alex Weir	
DECC gave an update on the Offtaker of Last Resort proposal. For more information please go to: https://www.gov.uk/government/policy-advisory-groups/electricity-market-reform-off-taker-of-last-resort-advisory-group				
4.	Report back on Working Groups	No papers	Matt Coyne	
DECC gave a brief report from the working groups, noting that good progress in being made. Sample contracts The group is currently working on the key areas where significant changes will be needed from an				

RO-compatible PPA to a CfD-compatible PPA. This is being done in small groups with mixed representation from the group. Other areas have been identified that need more detail on the CfD terms before progress can be made, and others where only minor changes will be necessary, which can wait until we have a more coherent whole.

The group also has a skeleton heads of terms based on an RO PPA, which will be used as a framework, on which to build the detail.

Code of practice

The working group has considered the initial suggestions and the shape that emerging consists of a directory with contacts in offtake companies to facilitate initial contact, and a detailed description of what each party can expect through the negotiation process, including indicative timings and level of detail needed for each stage.

We expect that both working groups will have an initial product to present to the Steering Board by September.

The Steering Board was asked to think about how to engage stakeholders more widely. It was suggested that the consultation on the contract should be small and focussed, while the code of practice should be more widely consulted on. DECC would welcome any further thoughts.

5.	AOB, Next Board Date & Agenda	No papers	Chris Hemsley	
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- **DECC** to canvass for a date in late July, to discuss regulatory intervention following Report stage of the Energy Bill in the House of Commons.
- **DECC** will also look for a date in mid- to late-September to discuss progress from the working groups.