

**CfD Market Readiness Working Group 2 – Code of Practice**  
**Monday 20<sup>th</sup> May 2013 15:30 – 17:00**  
**Minutes and actions**

**Attendees:**

**DECC attendees:**

Matt Coyne (chair)  
 Phil Hicken  
 Nick Skates  
 Jessica Henry

**Group members:**

Terry Ballard, RWE  
 Martin Bell, Ofgem  
 Rob Ellis, Cooperative Group  
 Mark Knights, Smartest Energy  
 Peter Lynch, Mainstream Renewables,  
 Stuart Noble, Scottish Power  
 James O'Meara, SSE  
 Stephen Packwood, RES  
 Christian Pegrum, Eon  
 Lee Priestly, Centrica  
 Magnus Walker, Government Procurement Service

<b>1.</b>	<b>Transparency, stakeholder engagement and legal clarification,</b>	<b>Matt Coyne</b>	
<p>The group agreed that DECC would publish key documents on the website:</p> <ul style="list-style-type: none"> <li>• Terms of Reference, including membership of the group</li> <li>• Agendas and minutes of meetings, and discussion papers</li> </ul> <p>The group also agreed that it would aim to hold a workshop later in the year to consult wider stakeholder interest. This would likely be in September with a wider consultation following.</p> <p>DECC reminded participants that the group will need to be mindful of competition law and, if necessary, that individuals should seek legal advice with regard to their obligations under competition law. No group members are expected to share information that they consider commercially sensitive, and any concerns should be raised with the chair. An addition to the Terms of Reference will be made to this effect.</p>			
<b>2.</b>	<b>Discussion Paper: Rules of Engagement (taken with reporting)</b>	<b>Terry Ballard, RWE</b>	
<ul style="list-style-type: none"> <li>• The group thought that it would be relatively easy to sketch out what parties can expect when negotiating PPAs, and that the areas identified in the discussion paper are an</li> </ul>			

appropriate starting point.

- On reporting on deals done, the group questioned the purpose of this initiative and thought that different approaches could be taken depending on whether it is for DECC to use to monitor the market or for wider publication to market participants.
- More detailed questions included – how often would it be needed? Who would confirm accuracy of reporting, and would it even be necessary? Could be achieved via a similar process to the ROC banding i.e. anonymously via a trade association.
- Looking at the substance of reports, members suggested they could supply information on imbalance discounts and volumes. The use of generic information such as the max price achieved rather than the specific prices would reduce competition problems.
- On potential dispute resolution, members were concerned that the voluntary nature of the code would remove the need for dispute resolution to be built in. Bilateral disputes could be solved outside the code and including penalties etc. in the code may discourage entry.

3.	<b>Discussion Paper: Standardisation of Approaches</b>	<b>Christian Pegrum, E.On</b>	
<ul style="list-style-type: none"><li>• The group thought that it would be possible to identify the key information that should be provided, but that it would be difficult to develop templates for the invitations to tender and the tender itself.</li><li>• The group noted the need to link up with the developing sample PPA to identify key areas for negotiation.</li></ul>			
4.	<b>Discussion Paper: Noticeboard</b>	<b>Peter Lynch, Mainstream; Mark Knights, Smartest Energy</b>	
<ul style="list-style-type: none"><li>• Thoughts on who to run the noticeboard- would be dependent on the function. The group noted resourcing implications associated with more interactive noticeboard whereas a directory approach would be easier for industry to run (possibly by one of the trade associations), although would need to consider how to ensure it is unbiased.</li><li>• The group also questioned the value of developing anything more complex than a directory considering the risk that developers may be unwilling to post potentially commercially sensitive information to a wider audience.</li></ul>			
5.	<b>Next steps &amp; AOB</b>	<b>No papers</b>	

### Next Steps

1. Produce further detail on a level 1 directory noticeboard – who would run & maintain it etc.
2. Work out the minimum requirements needed to use the noticeboard
3. Consider the subsequent expectation of process (incl timings and detail of responses)
4. Consider pros and cons of different levels of reporting – full reports vs. a survey option

**Action:** Members agreed that individuals should form small groups to take these steps forward (see email for details of groups). DECC requested that group members aim to produce by 1<sup>st</sup> July language that could be used in a code of practice.

Next meeting is scheduled for 17 July – further details will be circulated in advance.