

Minutes of CLLS Energy Committee Meeting

8 January 2013

Attendees:

Clare Hatcher, Clyde & Co.;
Michael Coates, Shell International BV;
Oliver Hamilton, CMS Cameron McKenna LLP;
Robert Lane, CMS Cameron McKenna LLP;
Robert Leeder, City of London Law Society; and
Sarah King, CMS Cameron McKenna LLP.

Apologies:

Andrew Grenville, Clifford Chance;
David Reynolds, Clyde & Co.;
Geoff Tyler, Pinsent Masons;
Geoffrey Picton-Turbervill, Ashurst;
James Watson, Osborne Clarke;
Jonathan Marsh, Vitol; and
Paul Stacey, Slaughter and May.

1. Introduction and approval of minutes from the meeting held on 7 November 2012

- 1.1 The minutes recording the last meeting on 7 November 2012 were approved. Oliver Hamilton made arrangements for Robert Leeder to upload the minutes onto the CLLS website.

2. Industry news and updates

- 2.1 There was further discussion about the latest draft of the Markets in Financial Instruments Directive, in particular noting that a lot of the detail is to be provided under separate regulations. It was also noted that the central counterparty would be a Government owned body.
- 2.2 It was noted that there was still a degree of uncertainty surrounding the determination of carbon prices.
- 2.3 It was noted that recent decisions in relation to the IME and IME3 directives give rise to consideration of M&A and change in ownership.

3. Oil and Gas issues

- 3.1 There was further discussion about transparency and disclosure issues, following on from discussions at previous meetings. In particular, a potential conflict had emerged regarding disclosure requirements in different jurisdictions with the result that disclosure in one jurisdiction may require a breach in another jurisdiction.
- 3.1.1 It was suggested this might compromise the human rights of directors making decisions in relation to disclosure.
- 3.1.2 It was suggested this could have ramifications for US security laws, listing rules and shareholders.

- 3.1.3 It was noted that discussions were still on policy and that no legislation had been drafted yet.
- 3.2 There was discussion about shale gas, in particular how it could prompt a fundamental change in the industry and affect the balance of supply and demand. The impact on the cost of manufacturing in the USA and Europe was also noted.
- 4. Review and consideration of live consultations in the energy sector (please see the Appendix for further detail)**
- 4.1 Consultation 3.4 was discussed, as set out in 3.2 above.
- 5. Any other business**
- 5.1 There was no other business.
- 6. Next meeting**
- 6.1 The next meeting was set for Tuesday 5 March 2013 at 1800.

APPENDIX

Review and consideration of live consultations in the energy sector

1. Live DECC Consultations

- 1.1 A call for evidence on the CfD Supplier Obligation (see link [here](#)) – closes 15 January 2013
- 1.2 Consultation on Synergies and Conflicts of Interest arising from the Great Britain System Operator delivering Electricity Market Reform (see link [here](#)) – closes 29 January 2013
- 1.3 Electricity Demand Reduction: Consultation on options to encourage permanent reductions in electricity use (see link [here](#)) – closes 31 January 2013
- 1.4 Implementing the Energy Efficiency Directive provision on easy access to 24 months of daily/weekly/monthly/annual consumption data for consumers with smart meters (see link [here](#)) – closes 6 February 2013
- 1.5 Consultation on Revised Certification Criteria for Renewable Combined Heat & Power Schemes (see link [here](#)) – closes 22 February 2013
- 1.6 Energy Company Obligation (ECO) brokerage service (see link [here](#)) – closes 15 April 2013

2. Live Ofgem Consultations

- 2.1 Consultation on further proposed licence changes following the implementation of the Third Package and other miscellaneous changes - (Reference Number: 151/12) (see link [here](#)) – closes 15 January 2013
- 2.2 Consultation letter: Joint Regulators Group (JRG) work considering possible impacts of regulatory frameworks on opportunities to coordinate infrastructure work across sectors - (Reference Number: 157/12) (see link [here](#)) – closes 15 January 2013
- 2.3 Competition in connections - Consultation on WPD's Competition Notices - (Reference Number: 152/12) (see link [here](#)) – closes 18 January 2013
- 2.4 Open letter consultation on our pension deficit allocation methodology - (Reference Number: 170/12) (see link [here](#)) – closes 21 January 2013
- 2.5 Gas System Operator (SO) incentives 2013 final proposals consultation - (Reference Number: 171/12) (see link [here](#)) closes 22 January 2013
- 2.6 Formal proposals to modify the ring fence conditions in network operator licences - (Reference Number: -) (see link [here](#)) – closes 22 January 2013
- 2.7 Offshore Transmission - Notice under Section 11A(2) of the Electricity Act 1989 (Network Innovation Competition) - PDF - 149Kb (see link [here](#)) – closes 22 January 2013
- 2.8 Statutory consultation on proposed modifications to the standard conditions of the gas transporter licence - (Reference Number: 184/12) (see link [here](#)) – closes 22 January 2013
- 2.9 Statutory consultation on proposed modifications to the standard conditions of the electricity transmission licence - (Reference Number: 186/12) (see link [here](#)) – closes 22 January 2013

- 2.10 Statutory consultation on proposed modifications to the standard special conditions of the gas transporter licence - (Reference Number: 185/12) (see link [here](#)) – closes 22 January 2013
- 2.11 Statutory consultation on proposed modifications to the special conditions of the electricity transmission licence held by SHE Transmission - (Reference Number: 190/12) (see link [here](#)) – closes 22 January 2013
- 2.12 Statutory consultation on proposed modifications to the special conditions of the gas transporter licence held by NGGT- (Reference Number: 187/12) (see link [here](#)) – closes 22 January 2013
- 2.13 Statutory consultation on proposed modifications to the special conditions of the gas transporter licence held by the GDNs - (Reference Number: 188/12) (see link [here](#)) – closes 22 January 2013
- 2.14 Statutory consultation on proposed modifications to the special conditions of the electricity transmission licence held by NGET - (Reference Number: 191/12) (see link [here](#)) – closes 22 January 2013 (NOT 22 December 2013 as advertised)
- 2.15 Statutory consultation on proposed modifications to the special conditions of the electricity transmission licence held by SPTL - (Reference Number: 189/12) (see link [here](#)) – closes 22 January 2013
- 2.16 Electricity distribution charging: consultation on a derogation under SLC 13A.14 to relieve Southern Electric Power Distribution plc of its obligation to charge a customer under the CDCM; and seeking views on treatment of certain types of CDCM customers - (Reference Number: 194/12) (see link [here](#)) – closes 23 January 2013
- 2.17 Notice under section 11A(2) of the Electricity Act 1989 and section 23(2) of the Gas Act 1986: Consultation on proposed licence modifications to the licence fee payment conditions in all gas and electricity licences and other consequential changes - (Reference Number: 181/12) (see link [here](#)) – closes 23 January 2013
- 2.18 Energy Companies Obligation (ECO) 2012-2015: Consultation on Guidance for Suppliers - (Reference Number: 156/12) (see link [here](#)) – closes 25 January 2013
- 2.19 Consultation on restatement of 2009-10 data and closing out the Distribution Price Control Review 4 (DPCR4) losses incentive mechanism: Document G - (Reference Number: 150/12) (see link [here](#)) – closes 28 January 2013
- 2.20 Synergies and Conflicts of Interest arising from the Great Britain System Operator delivering Electricity Market Reform - (Reference Number: URN 12D/444) (see link [here](#)) – closes 29 January 2013
- 2.21 Feed-in Tariff: Draft guidance for renewable installations (Version 5) - (Reference Number: 160/12) (see link [here](#)) – closes 11 February 2013
- 2.22 Feed-in Tariff Scheme: Draft guidance for licensed electricity suppliers (Version 5) - (Reference Number: 161/12) (see link [here](#)) – closes 11 February 2013
- 2.23 Draft Forward Work Programme 2013-14 - (Reference Number: 166/12) (see link [here](#)) – closes 18 February 2013
- 2.24 Draft Renewables Obligation: Fuel Measurement and Sampling Guidance - (Reference Number: 179/12) (see link [here](#)) – closes 21 February 2013

2.25 Draft Renewables Obligation: Guidance for Generators - (Reference Number: 178/12) (see link [here](#)) – closes 21 February 2013

2.26 Offshore Electricity Transmission: Consultation on licence policy for future tenders - (Reference Number: 159/12) (see link [here](#)) – closes 22 February 2013

3. Live Europa Consultations

3.1 Ensuring Sustainable Development globally: EU follow-up to RIO+20 (see link [here](#)) – closes 15 January 2013

3.2 Generation adequacy, capacity mechanisms and the internal market in electricity (see link [here](#)) – closes 7 February 2013

3.3 Consultation on structural options to strengthen the EU Emissions Trading System (see link [here](#)) – closes 28 February 2013

3.4 Environment: Unconventional fossil fuels (e.g. shale gas) in Europe (see link [here](#)) – closes 23 March 2013