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Date: 10 October 2007

Dear Colleague,

Short Term Access Governance (STAG) Report

'The Energy White Paper May 2007- Meeting the Energy Challenge' requested that Ofgem report to the Secretary of State on the progress made on short term initiatives to tackle the delays to connection for generators to the Great Britain transmission network.

In accordance with the Secretary of State's request, Ofgem has produced its report documenting the progress made so far, and identifying areas where further work could be undertaken to help reduce the existing delays to network connection. The areas described in this report include:

- GB Queue management initiatives, related to contractual arrangements between the GBSO and users;
- Commercial framework development, relating primarily to work brought forward under the industry code processes;
- Review of system operation, which has the potential to identify alternative means of managing the system in operational timeframes to potentially free up capacity, and
- Review of the GB Security and Quality of Supply Standards (GBSQSS), which looks at whether the existing planning and operational criteria remain appropriate going forward.

Whilst the STAG Report is not a consultation paper, Ofgem would welcome views on the following areas:

- Are there other issues in relation to the transmission access arrangements that should be addressed in the short term?
- Are there any other aspects in the management of the contractual arrangements between the GBSO and users that should be addressed in order to resolve the GB Queue?
- What are the priority areas of the transmission system operation that should be addressed to ensure that more transmission capacity can be released in operational

timescale without undue costs to consumers or risks to the security and quality of supply?

- What aspects of the current GBSQSS should be reviewed to achieve better trade-off between the security and quality of supply and the timely accommodation of new generation?

The work on short term initiatives to tackle the queue of generation connections in GB runs parallel to Ofgem and BERR's wider look at the longer term issues relevant to generation connection in GB, which is being taken forward by the Transmission Access Review (TAR). In order that any issues raised by the STAG report are given timely consideration in the ongoing work of TAR, I would be grateful for any comments to this report are sent to transmissionaccessreview@ofgem.gov.uk by 7 November 2007.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Robert Hull', with a horizontal line underneath.

Robert Hull
Director, Transmission