

# ORMSARY FARMERS

Ormsary Estate Office  
P.O. Box 7, Lochgilphead  
Argyll PA31 8JH

Lesley Nugent  
Ofgem  
70 Regent Street  
Glasgow  
G2 2QZ

8<sup>th</sup> April 2009

Dear Madam,

## **Derogations to Facilitate Earlier Connection of Generation – Proposed Interim Approach: Implications for Distributed Generation**

I write on behalf of Ormsary Farmers, an imbedded Distributed Generator (DG) in Argyll, in response to the open letter and consultation paper “Derogations to Facilitate Earlier Connection of Generation – Proposed Interim Approach” and the follow up “Implications for Distributed Generation” issued on the 19<sup>th</sup> and 30<sup>th</sup> March 2009 respectively. We welcome the opportunity to comment on the “minded to” approach being proposed by Ofgem and the other issues raised in the Regulator’s quest to facilitate the optimal use of resources.

We concur with the observations of our associates Inver Farmers made in their letter of 3<sup>rd</sup> April 2009 but wish to take this opportunity to express our opinion on how this policy could be taken further.

We believe it is self evident that in the short term more effective use can be made of the Transmission system carrying intermittent cyclical peaks of “weather dependant” exports of power from the area.

Weather dependent generation has a variable impact on energy availability, and on the required transmission capacity. The transportation network is an integral part and cost of the total system and therefore requires integrated management of power.

By complementary trough filling countercyclical generation, within a holistic development of the structure and management of an area’s power system, it would seem more efficient use of existing network infrastructure and generating capacity is realizable.

Argyll and the Highlands have large existing reservoir (storage) hydro stations. This energy source should be seen as complementary to the area’s very substantial weather dependent intermittent natural resources i.e. wind, run of river hydro, wave power, predictable tide power etc. The Transmission capacity and export output could be balanced by managing the hydro to complement sporadic output from wind and other intermittent generation.

To do this hydro would be constrained during peaks in intermittent generation (when the wind is blowing) and brought on line again to fill the troughs (when there is no wind). The energy of water stored in a reservoir, unlike wind, can be held in reserve.

Scottish and Southern’s Glashan, Shira and Sloy hydro plants could complement their Tangy wind farm and other wind generators in Kintyre. Scotland’s Northern and Galloway hydro stations are similarly

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Telephone: 01880 770700, Fax: 01880 770728, E-mail Enquiries@Ormsary.co.uk  
All other numbers see LITHGOWS RURAL MANAGEMENT in Lomond and Argyll Directory

Ormsary Farmers (Limited Partnership no. 2746)  
General Partners: Sir William Lithgow, James F. Lithgow  
Limited Partner: Landcatch Limited

able to complement adjacent wind generation. The capacity factor of an export Transmission circuit could potentially be doubled by complementary generation.

Financial incentives would require to cover the capital in the hydro scheme when idle, and the cost of upgrading its maximum output by additional penstock flow capacity, turbo generators and substation upgrades. These incentives can be balanced by the cost saving in Transmission circuits, interconnector enhancement, and provision of standby fossil fuel generation further afield.

Holistic management could take an immediate step forward using existing reserve Transmission capacity (perhaps 100% in Kintyre) as and when available. Constraint charges would therefore only be required when this reserve capacity is actually required but unavailable, as in the case of system repairs etc.

In summary we support the optimised use of the available built and natural resources through the principle of “over selling” as a short term solution to facilitate the early connection of generation to the transmission and distribution systems. We feel, however, that this “optimised use” could go significantly further by both developing and actively managing the complementary resources already available of reservoir storage hydro with all forms of intermittent generation. Furthermore full advantage should be taken of the existing reserve capacity within the Transmission network.

I hope that this submission is helpful; do not hesitate to contact me if you need any further information.

Yours faithfully,

William Lithgow CEng  
General Partner