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16th April, 2009

Derogations to facilitate earlier connection of generation – proposed interim approach March 2009

Dear Stuart,

We welcome the opportunity to comment on this “minded-to” decision letter. This response is provided on behalf of the RWE group of companies, including RWE npower, RWE Supply and Trading GmbH and npower renewables Ltd, a fully owned subsidiary of RWE Innogy.

The letter sets out clearly the reasoning behind Ofgem’s “minded-to” decision on their proposed approach to GB SQSS derogations. The principle of allowing generators to connect ahead of completion of wider system reinforcements (the BETTA derogation) was established at the time of BETTA introduction, there are a number of issues that we believe justify further consideration of extending the principle:

1. The interaction of these proposals with the February 17th Open Letter¹ and National Grid’s proposals for Locational BSUoS² and CAP170³. Implementation of one or both of these proposals may impact generators’ decision on whether to avail of the interim derogations where they might face additional costs. Furthermore, increasing the number of derogated, non-compliant boundaries will impact upon the implementation of locational BSUoS.
2. The build up in connection of generation subject to the derogation.
3. The duration of the “interim” approach and definition of the date when enduring access arrangements are deemed to be implemented.

Clarity on these would allow us to better understand the extent of potential additional constraint costs, which Ofgem itself indicates could be material.

We hope these views are helpful and if you wish to discuss any aspect of them in further detail, please do not hesitate to contact me.

Yours sincerely,

[RWE npower](#)

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¹ Managing Constraints on the GB Transmission System

² GB ECM 18 Locational BSUoS Charging Methodology

³ CAP170 Category 5 System to Generator Operational Intertripping Scheme

By email so unsigned

Charles Ruffell
Economic Regulation