



By email: ESOPerformance@Ofgem.gov.uk
Deadline: 10th March 2024

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Dear James,

Ofgem Generation Licence Consultation

Welsh Power is a leading developer and operator of grid stability, flexible power and battery assets in the United Kingdom. Stability and ancillary services are provided across a number of different asset classes to the ESO helping support the UK's transition to net zero.

Welsh Power constructed and is operating one of the first non-TO owned Synchronous Condensers dedicated to providing network services. In addition 6 more grid stability projects dedicated to providing network services are being constructed by us.

Generation licences for 5 of our stability assets have been issued with 2 more applications in progress. The proactive decision by Ofgem to initiate this consultation to improve the processes for this type of asset is welcomed.

This response can be publicly available.

Q1. Do you agree that the current Generation Licence should include a definition of assets dedicated to providing network services in order to activate conditions that were not drafted with these assets in mind?

We agree that it would be beneficial to include a specific definition of assets dedicated to providing network services within the license terms.

Q2. Do you agree with the proposed scope of assets we intend to capture in this definition?

Yes, we agree with the proposed scope of assets to be captured in the definition.

Q3. Do you agree with our proposed definition and terminology?

We agree that “ancillary services” is a too broad of a term and “network services” is a good choice of terminology.

Q4. Do you think there are any network services that should be considered in scope that are not currently included in our proposed definition?

Not at this time.

Q5. Do you agree with our preferred approach to address any necessary changes through addition of a new Section to the Generation Licence?

Yes, this approach seems sensible, and it avoids trying to forcefully incorporate alterations to the existing text.

Q6. Do you have any other comments relevant to the definition of assets to be covered by the purpose of this consultation?

No additional comments.

Q7. Do you agree with our current assessment that Licence Condition 14 does not apply suitably for the assets within scope of this consideration?

We agree that Licence Condition 14 does not apply suitably for the assets within the consideration.

Q8. Do you have views on other conditions in the Generation Licence that may not apply suitably to assets within the scope of this consideration?

We do not have any views on other conditions that may not apply within the scope of this consideration

Q9. Do you have any other views on our interim treatment of assets dedicated to network service provision?

We welcome the proposed interim treatment of assets dedicated to network service provision and thank Ofgem for proactively granting our sites Generation licences to help ensure a level playing field between industry owned assets and assets owned by Transmission System operators.

End of consultation response.