

Bridget Morgan
Technical Directorate
Ofgem
9 Millbank
London
SW1P 3GE

Date: 24th November, 2003

Dear Bridget,

Powergen UK response to second BG Grid Code Consultation

Thank you for the opportunity to respond to the second GB Grid Code consultation. This response is on behalf of Powergen UK, Powergen Retail and Cottam Development Centre Limited.

Change Management Proposals

Powergen considers it vital that there are appropriate mechanisms in place to ensure that all Codes align. However, we recognise that joint reports may be difficult to produce so that they reflect and fulfil the objectives of each Code. It may therefore be more appropriate to provide individual reports to Ofgem simultaneously.

Cross Code Management

We would prefer that the User interface is limited to the System Operator. This is consistent with the attempts currently being made to provide a “one stop shop” for smaller generators in England and Wales. However, it seems extremely likely that there will be aligned obligations across the STC and other Codes. In particular the links between the Grid Code and STC are likely to be strong. In order to facilitate Cross Code Management, consultation provisions (for example timescales) should be the same for both codes, and reports should be provided simultaneously to the Authority as a matter of course. The only exception should be where the relevant Chairman is able to provide a statement that a proposed modification to another code does not impact his jurisdiction.

Powergen UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
T +44 (0) 24 7642 5378

Representation

The extent of the interaction leads us to the conclusion that it would be appropriate for Transmission Owners to be represented on the GB Grid Code Review Panel, and for the System Operator to be represented on the governing body of the STC.

The Elections for the GB Grid Code Review Panel should be held as early as possible, in order to maintain continuity.

Planning Codes

It should be noted that the work of the Mothballed Plant and Alternative Fuels Working Group in England and Wales is likely to conclude that the Planning Code will be used for data gathering for parties other than the System Operator (specifically Ofgem/DTI). This could then give a framework for the same route to be used to gather data for the Transmission Operators.

MW levels for data requirements

Powergen notes the prudent approach proposed by Ofgem of gaining operational experience before changes are made. We are keen to see the MW levels conformed across England, Wales and Scotland. However, we would not wish to see any party disadvantaged by the application of limits tighter than those currently in force.

Regarding directly connected plant, Powergen recognises the need for the System Operator to be aware of actions taking place on his system. We do not think it appropriate to introduce bilateral agreements, which are opaque and difficult to govern. For this reason, we would support a change to the definition of "Genset".

Changes to Existing Grid Codes

It is sensible to include current and future changes in the versions of Grid Code being consulted upon. Certainly changes to the England and Wales Grid Code are discussed at Grid Code Review Panel, their BETTA impact is reviewed.

The next GB Grid Code Draft should be change marked against the then existing England and Wales Grid Code.

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Drafting Approach

It is in everyone's best interests that the industry shares a robust understanding of the provisions of the Codes. Any education measures undertaken by Ofgem are to be welcomed, and Powergen particularly supports the idea of seminars or "surgery sessions". These are more likely to help the industry as a whole than bilateral discussion of issues with Ofgem, although obviously the latter approach is appropriate in some cases.

Specific Changes

- Glossary and Definitions
 - "Business Day" definition will need to account for differences in holidays between Scotland and England and Wales.
- Connection Conditions
 - CC.6.2.1.2 preserves grandfathering rights in England and Wales. Any amendment considered appropriate for Scotland should preserve the current England and Wales position.
 - The exclusion of CC.7.1 means the loss of a general principle which could be held to apply if there was a Dispute. However, provided the points are sufficiently covered elsewhere, there should be no issue with its exclusion.
- Operating Codes
 - Demand Control Notification Level should be set to match the Customer Demand Management Level, and unless there is operational evidence to the contrary, this level should be standardised to not less than 12 MW as soon as possible.
 - OC2.4.1.3.4(c) load transfer capabilities are so close for the two areas that it would seem possible to standardise them at 12 MW now. This would be a 2 MW change for Scotland.
- Balancing Codes
 - We understand why the anomalous levels for submission of Physical Notifications have arisen. However, a 5 MW limit seems very low, particularly for an integrated transmission system. When this limit is finally standardised, Powergen would not wish to see a more onerous limit (ie below 50 MW) for plant in England and Wales, and hopes that with operational experience, the limit in Scotland could be raised.

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If you have any queries, please do not hesitate to contact me on 024 7642 5378.

Yours sincerely,

Claire Maxim
Senior Commercial Analyst

Powergen UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
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