



Edison Mission Marketing
& Services Limited
Bala House
Lakeside Business Village
St. David's Park
Deeside
Flintshire CH5 3XJ
Tel: +44 (0)870 238 5500
Fax: +44 (0)870 238 5577

David Haldearn
Director, Scotland and Europe
Office of Gas and Electricity Markets (Ofgem)
9 Millbank
London
SW1P 3GE

15 January 2004

Dear David

Response to DTI/Ofgem consultation on Smaller generator issues under BETTA

Thank you for the opportunity to respond to the consultation on smaller generator issues under BETTA.

The thrust of many of the proposed changes to transmission charging arrangements is to roll out current E&W transmission arrangements to 132kV (and above) connected generation in Scotland. However, Ofgem/DTI propose to exclude licence exempt generators connected at 132kV from some of the E&W requirements. We do not agree with this proposal.

If 132kV is to be classified as transmission in Scotland, then generators connected at this level should be treated the same as transmission connected generation in E&W.

We do not therefore agree with Ofgem/DTI's proposals to exempt smaller generators connected at 132kV from the non locational or residual element of TNUoS charges nor do we agree with Ofgem/DTI's proposals to recover the shortfall in the residual element from other generators. This subsidy would appear to be in addition to the subsidy for remotely located generators proposed in the DTI's August 2003 consultation on transmission charging which we also opposed.

We do not agree that there should be any special treatment or subsidies for renewables (or smaller generators) under the transmission charging arrangements. Renewables already receive support through the ROC mechanism which provides an appropriate vehicle for incentivising investment. Other subsidies could potentially distort the market for ROCs.

In addition, generators connected at the transmission level should be liable to the same requirements under the Grid Code, BSC and CUSC. Transmission connected generators

are required to sign the CUSC, the Grid Code should apply to all transmission connected generators and the consolidation options and trading charges should be consistent. Regional differences should not be allowed to exist.

Yours sincerely

Libby Glazebrook

Libby Glazebrook
Manager, Market Development