

9 January 2004

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GCHPL-B100-12

Dear David

November 2003 Consultation Paper: Smaller Generator Issues under BETTA

Fortum Group, owner of Grangemouth CHP Ltd, welcomes the opportunity to respond to this consultation.

We note Ofgem's current thinking as set out in paragraph 8.62 that there should be no GB Grid Code provision equivalent to the current SGC CC1.6 and we support the move to an enduring regime which provides for derogations against technical requirements in a transparent manner. However, the principle that retrospective amendments will not normally be made to connection conditions or grid code standards is expressly established in the existing Scottish Grid Code. Investments made in Scotland have been made against that backdrop, without any contingency for changes in Grid Code requirements, and therefore some specific recognition of pre-existing rights where they exist may be necessary when making the transition to a GB Grid Code in order to avoid creating any unreasonable and unanticipated additional burdens on the affected parties.

We would expect any pre-existing derogations from technical standards which have previously been agreed under the Scottish Grid Code to be rolled forward under the GB Grid Code framework without alteration. We would not expect any tighter technical standards to be imposed on parties with pre-existing arrangements under the Scottish Grid Code, nor would we expect any new obligation to procure the equivalent of the amount of any derogation previously granted, under the forthcoming GB Grid Code. Should Ofgem/DTI's thinking on these points differ from these assumptions then we would welcome the earliest opportunity to understand that thinking and to establish a process for resolving the issue.

In passing, we would like to point out that the drafting in paragraph 5.15 of the paper is slightly misleading where it is stated that “the plant and apparatus comprising a BM Unit with a single metering system registered in CMRS must be registered as a single BM Unit.” BSC Section K paragraph 3.1.4 (a) is in fact subject to BSC Section K paragraph 3.1.6 which provides for the BSC Panel to determine an alternative BM Unit configuration. The phrase in the consultation paper which we have quoted above does not therefore give the full picture and may not actually hold true in a particular instance.

We would be happy to expand on our views should that be required.

Yours sincerely

Ilkka Toijala
Asset Manager