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Office of Gas and Electricity Markets
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6 August 2004



Dear David

The initial allocation of GB transmission system access rights under BETTA

EDF Energy is pleased to have the opportunity to respond to this consultation on the initial allocation of GB transmission system access rights under BETTA.

We are generally in agreement with Ofgem/DTI's proposed transitional arrangements for the allocation of GB transmission system access rights.

We believe that it is appropriate for existing connected parties to be offered access to the GB transmission system that is not contingent on reinforcement works in other GB transmission networks or relating to the Scotland–England interconnector.

We are concerned that for the System Operator to make offers to new applicants until January 2005 without consideration of any capacity implications for the Scotland–England interconnector risks creating constraints problems for the future. This could also prompt a rush of connection applications before the deadline which would further increase the uncertainty of future constraints on the GB transmission system.

This risk of significantly higher constraint costs in the future must be balanced against the benefits of reduced barriers to competition in electricity wholesale markets under BETTA. There is a point at which the increased costs of managing constraints would exceed the benefits of increased competition and impair competition because of the potential for generators in Scotland in particular to take advantage of enduring constraint situations. We therefore believe that it may be appropriate for the System Operator to apply an earlier cut-off date taking account of the likely levels of congestion on the Scotland–England link associated with connection applications received.

We do not wish to make any further comments on the draft legal text or proposed arrangements for implementation of the transitional arrangements.

We hope that you will find these comments helpful. If you have any queries please contact Rupert Judson on 0207 752 2526 or myself.

Yours sincerely

Roger Barnard

Regulatory Law Manager