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5<sup>th</sup> July 2004

Dear Diane,

**CUSC CAP071 'Development of a Maximum Generation Service'**

Thank you for the opportunity to comment on this Amendment Proposal British Energy has the following comments.

**We do not support this Amendment Proposal or the Working Group Alternative Amendment Proposal. This response does not prejudice these views but does address the detail were either of the amendments to be put into place.**

We are unconvinced that this service cannot be provided by the existing bid/offer process under the BSC. The proposed service appears to be less efficient and less transparent than simple offering of additional energy into the balancing mechanism. By facilitating a scheme outside the Balancing Mechanism whereby additional energy is non-firm and additional capacity is not liable for Transmission Charges, unfair support is given to Maxgen providers, and energy prices will not rise to reflect the transport costs associated with meeting demand at times of high system loading. The Maxgen trades must be fully reflected in BSAD data used for imbalance price calculations, otherwise the cost of energy and risk associated with the Maxgen service will not be reflected in energy prices.

We do not consider that a Maxgen service as described by the Amendment Proposal or the Working Group Alternative better facilitates the CUSC Applicable Objectives. The treatment of the Maxgen service as an Emergency Instruction will in fact damage competition, as the full costs that a Maxgen provider imposes on the transmission system will not be charged to that provider and will instead fall on other users.

Regards



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