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Dear David,

Information Exchange under the STC

I am writing in response to the Ofgem consultation regarding information exchange between the transmission licensees under BETTA and schedule 3 of the SO – TO Code (STC).

Transmission owners require system data for a number of reasons. One of the key reasons is to enable the TO to comply with its licence obligation to plan and develop its transmission system in accordance with the GB SQSS.

Clearly, information collected by a TO in relation to its own system will be available to it for its own purposes. The TO, in effect, has the “title” to that information and can provide it to other licensees to the extent permitted by the licence and the STC.

However, information from other licensees will also be required to ensure that the TO has adequate information to plan and develop its system. We are concerned that Ofgem’s proposals may seriously compromise the licensee’s ability to comply with this licence condition and hence security of the system.

Scope of technical information

We agree that it will be appropriate for the TOs to receive appropriate technical information on a GB wide basis to enable them to carry out all the necessary studies to identify reinforcements that may be required on their transmission network.

It is a fundamental principle of BETTA that a TO is able to identify and justify any investments that are required on its system. The TO must therefore be able to carry out stability studies to identify the most economical means to rectify any instability problem that becomes apparent. If NGC is the only party in possession of all the information required for stability studies, it is difficult to see how a TO can identify the most economical solution to an instability problem. We firmly believe that TOs should have adequate information to carry out stability studies on their own network.

Criterion 1(b), which was one of the principles underpinning the split of responsibilities between SO and TO is that “access to confidential data, which may reveal the intentions of market participants, should only be available to those that do not have affiliated interests in those same market-based activities”.

This principally relates to the behaviour of participants in the day to day market, including physical notifications, bids and offers etc.

In contrast, the type of information to be exchanged under the STC for system planning purposes relates to the technical performance of plant in certain predefined circumstances. It covers network configuration, generator dynamic data, AVRs and governors. In particular, since this information is not required in real time it has limited practical commercial value, except in evaluating future investments. It is also important to recognise that such information would continue to be ring fenced using the commercial confidentiality requirements in the licence.

None of this information can be said to “reveal the intentions of market participants” and TOs should be able to receive the information to plan and develop their systems.

In addition, as the contribution from wind generation increases it will become more and more important to understand the behaviour of wind farms when there are system disturbances. This will be an essential piece of information when assessing the stability of the system. SHETL has installed a number of power quality monitors to gather this information. We believe that we should be able to provide this to other licensees, and vice versa.

In paragraph 2.15 Ofgem state that it may be appropriate to review the arrangements for carrying out the studies, in particular system stability, and has proposed a time limit of 12 months to the TOs ability to receive information pending this review.

However, the draft appendix 3 includes data within this time limit regarding users on the TOs system and within the Boundary of Influence (BOI). In our view, data within the BOI will always be required. It is only data for users outside the BOI that could be the subject of a review.

It is therefore necessary to redraft section 2.4.3 into two sections. The first of these should cover all relevant data for users within the BOI so that the TO can plan and

develop its system. The second part, which could be time limited to allow a review of the level of detail necessary to comply with the licence, would contain information on users outside the BOI.

In terms of the time limitation, we believe a full year's experience of the planning process is required before any substantial review of information requirements can take place. We therefore believe that the time allowed to complete this review should be two years.

Information in IUDE data links

We do not believe it is necessary to remove data flows that occur at present in IUDE. The system has been in operation pre-BETTA and has not prejudiced the commercial interests of any market participants. Also, we believe that the data exchange is, in some instances, necessary for the safe operation of the distribution networks. For example, the switch states in some of SP's 275kV substation have an effect on the fault level in SSE's transmission and distribution networks. Also phase angle differences can arise which preclude paralleling operations on the distribution network.

For these reasons, we believe the IUDE links should remain in substantially the same form and not be time limited as proposed by Ofgem.

Proposed STC and Grid Code drafting

We agree that the proposed amendments to the STC and Grid code suitably reflect the information requirements.

If you have any questions on the above, please give me a call.

Yours sincerely,

Rob McDonald
Director of Regulation