

Bridget Morgan
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Office of Gas and Electricity Markets
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5 July 2005

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Dear Bridget,

**Consultation on requests from Scottish generators for lifetime derogations against specific Grid Code conditions which have been raised in association with the introduction of BETTA
26 May 2005**

This response is submitted on behalf of ScottishPower UK Division which includes the UK energy businesses of ScottishPower, namely ScottishPower Generation Ltd, ScottishPower Energy Management Ltd, ScottishPower Energy Retail Ltd and CRE Energy Ltd.

Connection Condition CC6.3.2

ScottishPower UK Division supports the granting of lifetime derogations against the Grid Code power factor and short circuit ratio requirements for the generating units identified in Appendix 1 of the consultation paper. It is clear from the comments of the transmission licensees that there are no short term issues associated with such derogations other than in respect of Cockenzie Units 3 and 4 and these particular concerns have been addressed through a bilateral agreement between NGC and SPG. The longer term concerns that the limited reactive capability of all these generating units may impact on future system developments is no different from the circumstances under which equivalent derogations were granted to similar generating units in England and Wales at vesting. We believe therefore that it would be consistent with past decisions for Ofgem to grant lifetime derogations as requested.

Connection Conditions CC6.3.6, CC6.3.7(a), CC6.3.7(c)(iii) and CC6.3.7(d)

ScottishPower UK Division supports the granting of lifetime derogations against the Grid Code frequency control capability requirements for the hydro units identified in Appendix 1 of the consultation paper. It is clear that the system control capability post-BETTA will be no less than it was pre-BETTA and, as NGC noted, these generating units are unlikely to have a significant national impact.

Balancing Code BC2.A.2.6

ScottishPower UK Division supports the granting of lifetime derogations against the Grid Code generator transformer tap changing requirements for the hydro units identified in Appendix 1 of the consultation paper. It is clear that the system control capability post-BETTA will be no less than it was pre-BETTA and that the shortfall in capability relates to the original design of the station which pre-dates the requirements of the Grid Code.

Yours sincerely

Mike Harrison

Commercial Manager, Trading Arrangements
ScottishPower Energy Management Limited