



Thursday, 25 January 2007

Grant McEachran
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Dear Grant

Re: Charging arrangements associated with GB SQSS design variations based on customer requests

APIL is pleased to be able to respond to this consultation. APIL has a number of wind farm developments in the UK and is therefore very interested in changes to connection and charging arrangements.

APIL supports the principle of cost reflectivity, and therefore supports the proposal to reduce TNUoS charging for generators who select non-secure connections.

APIL has not conducted detailed financial analyses on the level of discounting proposed. From the developer's perspective the discount would be balanced against potential loss of income for a non-secure connection, which would depend upon both fixed and variable factors. Whilst income depends upon energy and potentially ROC prices, probability of loss depends on connection reliability, which may depend on such factors as exposure and weather. The differences in calculations may be attributable to different assumptions, and determining the base assumptions would help in determining what level of discount would make a difference to those parties most likely to be able to take advantage of it.

The concept that a party could select a non-secure connection and then be forced to adopt a secure connection due to the subsequent connection of a second party is a concern. I would like to see examples of what might happen under certain scenarios. For example:

- If a 120MW generator connected on a non-secure basis (single trident line), and then a 2MW single generator (community / wave) wished to connect to the 33kV board at the generating station (assuming there is no alternative suitable infrastructure), surely this would not force a 244MW connection to be built? The smaller generator would have a disproportionate effect on the larger.
- Or if a 100MW generator chooses a single trident connection, then another 100MW generator wants a secure connection next door. Does 400MW of capacity need to be built for a 100% secure connection? Or is 300MW of capacity required to give a secure 100MW and a non-secure 100MW. Or can, simply, another 100MW trident line be built, i.e. total 200MW, the latter generator be given a secure 100MW connection, and the first non-secure generator use the 'spare' capacity and be given a double TNUoS discount as it would then be suffering outages on both 100MW lines?

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These are demonstrative examples only, I believe that NGET need to demonstrate using examples such as these how typical situations would be dealt with. Then developers will be able to comment sensibly.

Also, the process for dealing with such situations needs to be detailed. A second applicant may not know the first connectee has a non-secure connection, and therefore may not realise the impact of requesting a secure connection. NGET would under their normal procedures provide an offer for what is being asked for, there needs to be a procedure by which the effects on both parties are fully understood, debated, and the solution determined in a proportionate and equitable manner.

I hope that this is helpful.

Regards,

A handwritten signature in black ink, appearing to read 'Elaine Greig', with a long horizontal flourish extending to the right.

Elaine Greig