



9th Floor
80 Cannon St
London
EC4N 6HL
Tel 0870 238 5558

Robert Hull
Director of Transmission
Ofgem
9Millbank
London
SW1P 3GE

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Dear Robert

Zonal Transmission Losses Impact Assessment

International Power has contributed to the development of the various electricity losses modifications through the modification groups and our responses to the modification consultations. Since our view on zonal losses has not changed following the publication of this Ofgem Impact Assessment, we are not responding to each individual question.

Given the fall in wholesale prices since the consultation, the benefits of introducing any of the mods are now a little overstated. Nevertheless IPR continues to support a move to zonal transmissions losses as this will improve competition in the generation and supply of electricity in operational timescales, ensuring more efficient despatch at BMU level.

On the final consultation question, we do not see the need for the Authority to make a 'minded to' view followed by further consultation as this only defers the final decision increasing regulatory uncertainty. Whilst the issues are complex, they have been discussed at length since 1989 and BSC parties should by now be aware of the implications of moving to zonal losses.

I hope you have found these brief comments helpful.

Yours sincerely

Libby Glazebrook
Manager, Market Development