

Anthony Mungall
Transmission Directorate
Networks
Office of Gas and Electricity Markets
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19 December 2008

Dear Anthony,

Impact Assessment – Charging for generator local assets.

EDF Energy is pleased to have the opportunity to comment on the Impact assessment for charging of generator local assets.

We realise there is a need for generators connected by single circuits to have the cost savings of the second circuit reflected in their TNUoS charges. We understand National Grid had previous difficulty in setting cost reflective discounts for single circuits, principally as the existing charges for the generator circuits are not charged as cost reflectively as the single circuit discount.

It is sensible that:

- if a cost reflective discount is to be offered to generators for choosing a single circuit generator connection....
- then the actual charges for the generator connection should be equivalently cost reflective.

Otherwise, when generators consider a single circuit connection, inconsistencies in the charge and the discount will lead to market inefficiencies and higher costs to consumers.

We believe National Grid's proposals provide both a cost reflective local charge and single circuit discount, which should therefore: reduce overall costs to consumers; ensure generators that require a design variation are not discriminated against; not impact on security of supply and fit with the regulatory allowances granted for the Scotch transmission licensees for connecting renewable generation. EDF Energy considers the broader impact of ECM-11 to be positive and hereby recommends that the Authority allow National Grid to implement ECM-11 for charging year 2009/10.

If you have any questions on the above comments, please do not hesitate to contact me.

Yours sincerely,

David Scott

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