

Alistair Buchanan CBE
Chief Executive



AB126-09sel

Chris Train
Director of Network Operations
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

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value for all customers*

29th January 2009

Dear Chris

Thank you for submitting your report to the E3C Task Group on the investigation into the frequency deviations and the automatic demand disconnection that occurred on 27th May 2008. We have reviewed your report.

Whilst we recognise the exceptional nature of the events of 27th May, your report nevertheless identifies a number of important issues that need to be addressed including those governing frequency range settings and requirements for small embedded generation plant.

We welcome your recommendations for further work in these areas. Indeed, we consider that progress on the resolution of these issues is likely to be important in mitigating the impacts on consumers of future frequency disturbances and is therefore relevant to ensuring that you meet your licence obligations to coordinate and direct the flow of electricity onto and over the GB transmission system in an efficient, economic and coordinated manner (as set out in Standard Condition C16 of your Electricity Transmission licence).

In addition to your recommendations we request that you review the information provision obligations in the Grid Code which apply to Network Operators, and progress any change proposals (in accordance with normal Grid Code governance arrangements) that you consider would improve your ability to predict, in line with the economic, efficient, and co-ordinated operation of the transmission system, the loss of embedded generation as a result of frequency deviations and predict the actual effect of the low frequency demand disconnection scheme. Your review should also consider whether sufficient information is provided to you on generation outages relating to embedded generation.

We also recommend that you undertake the following additional steps:

- Take advantage of the opportunity that the current review of Engineering Recommendations G59 and G75 provides to address the specification of connection requirements for embedded generators.
- With regard to the so far unexplained 20 MW of GB transmission system connected wind generation loss, and in accordance with your own recommendations, satisfy yourself that this generation loss was as a result of an isolated and explainable event and that there are no indications of any weaknesses in the Grid Code connection requirements for the class of generating plant in question.

Could you please provide Richard Holmwood (Richard.Holmwood@ofgem.gov.uk) with detailed timescales for your work plan relating to your recommendations and other work in this area (including the recommendations above, where relevant) by **13 February 2009**. This should define the key activities and include a proposed timetable for delivering the relevant actions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alistair'.

ALISTAIR BUCHANAN CBE
CHIEF EXECUTIVE