



First Hydro Company is part of a joint venture between
International Power plc and Mitsui & Co., Ltd.

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Lesley Nugent Senior Manager – Transmission Ofgem
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2nd July 2009

Dear Lesley

CAP170 Category 5 System to Generator Intertripping Scheme

International Power (IPR) is responding to your consultation on behalf of First Hydro Company, Saltend Cogeneration Company Ltd, Rugeley Power Ltd, Deeside Power Development Company Ltd and Indian Queens Power Ltd.

We do not support the proposed change. Our concerns fall into two main areas firstly safety issues relating to the type of plant that could be asked to provide this service and secondly the post trip arrangements.

- The proposed changes to the CUSC allow National Grid to select any BM units as potential providers of inter-trip services with only a short period of time to accept proposed changes to bi-lateral agreements. From a generator's position there can be significant technical and safety issues to overcome prior to acceptance of an intertrips service. The safety implication of routine tripping of plant (via intertrips) would need to be considered prior to any generator accepting a new intertrips service. For example the tripping of a generator providing process steam to a refinery could result in the shutting down of refinery operations. Nuclear plant and other base load plant will have restrictions limiting the number of starts/year for operational and safety reasons. We believe that provisions should be incorporated to allow generators to opt out of an intertrips services if damage to plant or equipment could result from the provision of the service. There should be additional protection for CHP, Nuclear and other plant types where the provision of intertrips services could have safety implications.

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- The post trip treatment of an intertrips generator is significantly different to the treatment of a generator operating in the Balancing Mechanism. Following an intertrip the generator receives imbalance compensation for a maximum of 1.5 hours plus the tripping fee. Re-connection to the system is only allowed once National Grid are able and willing to accept the generator back onto the system. There is no time limit associated with disconnection which could last days or weeks. This is at odds with a non-intertrip generator who would receive bid compensation for reduction in generation. We believe that the post trip compensation arrangements should be modified to ensure that the intertrips generator (post trip) is treated the same as a generator that is asked to reduce load in the BM. Without this we believe that the proposed arrangements will lead to undue discrimination.

We believe that the safety issues and issue of undue discrimination should result in the Authority rejecting the amendment with a recommendation that National Grid revise the proposal appropriately.

Yours sincerely,

Simon Lord,

Transmission Services Manager