

Dear Roberta

We refer to Ofgem letter dated 30 October 2009-11-27

Consultation on NGET's request for grid Code and STC derogations in respect of certain offshore 'transitional projects' – ref 131/09

We understand the background to be as follows:

Table 1: Reconfirmation of existing derogations arising as a result of changes to the regulatory regime

Ofgem has previously granted derogations in respect of certain Grid Code conditions to Barrow and Robin Rigg (East & West). For technical reasons, since these stations are to be recategorised as Large Power Stations (currently Medium), then NGET must reapply for the derogations.

The derogations are detailed in Table 1 and apply to voltage and frequency control capabilities (control of reactive and active power outputs from the wind farm). They also apply to fault ride-through capability. NGET has requested that the derogations are granted for the remaining life of the wind farm.

Of the issues addressed, active power control (frequency response) and fault ride-through capability remain the responsibility of the Wind Farm Operator. Therefore only the reactive capability and voltage response requirements are relevant to the future OFTO. The derogation will allow the OFTO to control to unity power factor at the onshore interface point. However, this cannot be achieved on these projects (which use 'simple' unswitched reactor compensation) without coordination with the offshore wind turbines.

Table 2: Change in Definition of a Large Power Station

A number of additional derogations are required for Barrow and Robin Rigg (East & West) to take account of their redefinition as Large Power Stations. These are detailed in Table 2. Although it appears that these derogations are intended to last for the lifetime of the wind farm, this is not explicitly stated.

Although some of these derogations relate to reactive power, they do not appear to have any significant impact on the future OFTO.

Table 3: Change to Classification of 132kV Circuits Offshore

There are additional Grid Code requirements that are applicable to 'directly connected' generating plant and not 'embedded' generating plant. Reclassification of offshore 132kV circuits as part of the transmission system dictates that these requirements will apply to installations that were previously exempt and derogations have been sought to formalise non-compliance with Grid Code requirements. Again, although it appears that these derogations are intended to last for the lifetime of the wind farm, this is not explicitly stated.

The proposed derogations are outlined in Table 3 and concern protection requirements and nomenclature for Barrow, Robin Rigg, Thanet, Greater Gabbard, Gunfleet Sands and Walney 1&2. An additional derogation against Table E of the Planning Code is sought for Barrow & Robin Rigg (which requires the offshore link to be compliant with the GBSQSS, ER P28/P29 and ER G5/4. The Engineering Recommendations apply at the interface point with NG/DNO and are thus relevant to the OFTO although compliance for these two projects is dependent on the wind farm characteristics).

Table 4: STC Derogation

For Barrow & Robin Rigg, derogation is sought in respect of measurement / control / indication systems, reactive power capability / voltage control, fault ride through capability and compliance with Grid Code technical parameters. These derogations are all relevant to the future OFTO and will facilitate compliance for these projects.

For Gunfleet Sands, derogation is sought in respect of reactive power capability at the onshore interface point as the full Grid Code requirements cannot be met during wind turbine outages. Again, this derogation will facilitate OFTO compliance.

Balfour Beatty views

Overall the derogations do not look unreasonable and will avoid modifying projects that are either complete or well into construction.

We assume that, where required, the relevant derogations will be granted to the OFTO from Offshore Go-Live.

Considering Ofgem's specific questions:

- Do respondents consider there are any impacts associated with the granting of derogation that have not been identified?

No. We would not expect any of these derogations to have significant impact on the operation of the UK transmission system as they affect only a small proportion of the installed plant.

- Do respondents consider any party would be materially disadvantaged, or that any party would unduly benefit, were the Authority to grant the derogation?

We do not believe that any party will be materially disadvantaged if the derogations are granted. Given that the compliance issues are associated with decisions which were made before the relevant obligations were implemented, and it would not be economic to implement a design change, we do not consider that any party unduly benefits from the granting of the derogations.

- Do respondents have any comments on the process NGET has followed in seeking this derogation?

No.

- Do respondents have any concerns or are there any other matters that respondents would like the Authority to consider?

We consider that there should be an indication, in each case, of the lifetime of the derogation

- Do respondents agree that significant costs would be incurred by the generators if any of the requested derogations were not to be granted?

Yes.

regards

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Balfour Beatty