

Ofgem 9 Milbank London SW1P 3GE Name Alan McAdam Phone 01793 89 3662 E-Mail alan.mcadam@rwenpower.com

4th July 2011

Impact Assessment on RWE proposal P229 – seasonal zonal transmission losses scheme

Dear Dena,

RWE welcomes the opportunity to respond to this consultation. We are responding on behalf of RWE companies operating in the UK:

Below we provide a short response to the questions raised in the impact assessment.

CHAPTER: Four

Question 1: Do respondents consider that we have appropriately identified and where possible quantified the impacts of P229 Proposed and P229 Alternative?

Yes. We believe that the P229 Impact Assessment is a comprehensive review of the potential effects of the modification proposal and its alternative on the GB electricity market.

Question 2: Do respondents consider that there are additional impacts which we should take into account in the decision making process and, if so, what are these?

No. We believe that the IA has taken into account the potential impacts of the modification proposal and its alternative on the GB electricity market.

CHAPTER: Five

Question 1: Do respondents consider that we have appropriately identified the potential interactions of the P229 proposals with TransmiT and the EMR?

We believe that the P229 proposals should be determined by Ofgem and the Authority on its own merits. We do not believe that the issue of Transmission Losses falls into the scope of Project TransmiT and the package of proposals under consideration under the Government's Electricity Market Reform package.

Question 2: Do respondents consider that we have appropriately identified the likely impacts of these interactions?

RWE npower

Trigonos Windmill Hill Business Park Whitehill Way Swindon Wiltshire SN5 6PB

T +44(0)1793/89 30 83 F +44(0)1793/89 29 81 I www.rwenpower.com

Registered office: RWE Npower plc Windmill Hill Business Park Whitehill Way Swindon Wiltshire SN5 6PB

Registered in England and Wales no. 3892782



As noted under question 1 we do not believe that P229 interacts with Project TransmiT or the Government's Electricity Market Reform package.

Please contact me if you require further information.

Yours sincerely,

Alan McAdam Wholesale Economic Regulation Manager