

Sheona Mackensie
Electricity Transmission
Cornerstone
107 West Regent Street
Glasgow
G2 2BA

Centrica Plc
Millstream
Maidenhead Rd
Windsor
Berkshire SL4 5GD
www.centrica.com

By email

23rd September 2011

Dear Sheona,

RE: Minimum transmission capacity requirements in the Security and Quality of Supply Standard.

Centrica is grateful for the opportunity to respond to Ofgem's impact assessment and consultation on the above topic. This non confidential response is sent on behalf of the Centrica group of companies excluding Centrica Storage Ltd. Centrica holds a mixture of generation interests spanning wind, nuclear and flexible CCGT.

Centrica supports the adoption of a dual criteria approach within the NETS SQSS. We believe that this approach will overall lead to more efficient investment decisions and these should, in the main, be closer to optimal levels, than under the current regime.

We believe that it will be important to continue to monitor the inputs made under both criteria. Notwithstanding that these should be reviewed at least every 5 years, we would urge swift updates to these inputs as soon as reasonably expected once they are confirmed i.e. availability factors. Additionally, industry should be involved in the discussion and establishment of any changes to the input data. We note that forecast rather than actual wind farm outputs, both generally and at times of system peak, have been used to date. We suggest a study on actual outputs should be undertaken as soon as reasonably practical and any resulting changes to the data or assumptions should be integrated into the NETS SQSS.

In the interests of transparency and best practise, it would have been useful if the industry responses to the original consultation (published in June 2010) had been published on National Grid's website. In that way, changes that were made between this consultation and the proposed drafting (published in October 2011) which have been carried forward to this impact assessment could have been understood. Likewise, responses to the proposed

drafting should also have been published. Although the responses to the original consultation and the Review Group replies are detailed as being in a separate submission to Ofgem (Appendix 2 of the Ofgem submission by the TOs), this does not appear to have been published on National Grid's website.

I hope these comments have been useful. If you want to discuss any element of this response, please do not hesitate to contact me on 07979 566011 or at sarah.owen@centrica.co.uk.

Yours sincerely,

Sarah Owen
Commercial Manager
Centrica Energy