

Internal Only

Dear Andrew

I am aware that there is a need to overhaul the charging system but my concern is that by making this change in a piecemeal fashion there may be unexpected impacts on smaller generators. At the moment, there are small generators who, by placing their operation close to the market, are reducing the overall capacity required within the National Grid. These changes will impact heavily on those operators and, as a consequence, investment in small plants, district heating schemes and the like will be significantly less likely to go ahead, thus increasing the demands on the National Grid.

I am also concerned that, by asking users who make little or no use of the National Grid to pay network charges, these proposals are anti-competitive and will simply replace one market distortion with another.

Yours sincerely

Paul
Paul Savage
Financial Controller
Third Energy

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