

OFGEM CONSULTATION

Targeted Charging Review: a consultation

Respondent's details:

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Role / Position: AVP Business Development

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Industry sector: Transmission Connected Large Power Station with Demand

Targeted Charging Review: a consultation

Sembcorp Utilities (UK) Limited is the energy and utilities supplier to the Wilton International industrial site in Teesside.

It has a somewhat unique arrangement in being directly connected to the National Grid Transmission System at 66kV at the Wilton Substation (BMU T_WILCT-1) with private wires generation and demand behind the Grid Supply Point.

Comments on the Consultation

Sembcorp believes that transmission charges applied directly, and avoided indirectly by generators, should be fair and reflective of the generators location and the locational demand. Furthermore generation, irrespective of its connection point, should have the efficiency and flexibility to deliver reliable, affordable, electricity to the consumer and not just deliver selective generation to secure specific “windfalls” such as capacity agreements and triad avoidance payments.

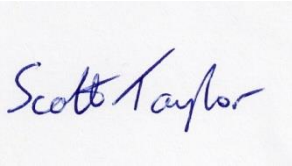
However we note that the Consultation doesn't specifically comment on the somewhat unique arrangement Sembcorp has in being connected to the National Grid Transmission System at 66kV at the Wilton Substation (BMU T_WILCT-1) with private wires generation and demand behind the Grid Supply Point.

Currently both Generation Charges (Transmission Entry Capacity Charges) and Demand charges (Triads Charges) are payable by Sembcorp and we would like to unsure that the targeted charging does not have unintentional consequences of not being fair and reflective to Sembcorp and it's Customer's at Wilton International.

If required Sembcorp can discuss our situation directly with Ofgem at your convenience to help with your Significant Code Review.

I look forward to hearing from you.

Yours Faithfully



Scott Taylor

AVP Business Development

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