

Ofgem
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Email to: soincentive@ofgem.gov.uk

2 February 2017

Minded to decision to remove the Supplemental Balancing Reserve (SBR) and Demand Side Balancing Reserve (DSBR) cost recovery arrangements for 2017/18

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

We support Ofgem's minded to decision to remove the Supplemental Balancing Reserve (SBR) and Demand Side Balancing Reserve (DSBR) cost recovery arrangements for 2017/18. Following the Government's decision to bring forward the Capacity Market by a year for delivery in 2017/18 it is no longer necessary or appropriate for these additional balancing services to continue. This means that there is no longer a need to allow National Grid to recover any economic and efficient costs associated with the procurement and use of DSBR or SBR incurred in 2017/18.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Mari Toda on 07875 116520, or me.

I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Cox'.

Mark Cox
Head of Transmission and Trading Arrangements