

Andrew Truswell
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Dear Andrew,

This letter regards the informal consultation on:

Offshore Electricity Transmission Access and Compensation

EDF Energy is pleased that NGET has decided to consult on this matter.

In summary we agree with NGET's clarification on access and compensation for offshore generators.

The simple rule should be if:

- ***compliant** with GBSQSS onshore = **compensation**;*
- ***not compliant** GBSQSS onshore = none.*

Answers to the questions in your letter follow.

We hope to have been of help.

Yours sincerely,

David Scott
Electricity Regulation
Energy Branch

Questions

Access

Do you agree that the principles applied to customer request design variations (as represented in the current arrangements or in the CUSC amendment CAP149) should extend to offshore connections which, whilst compliant with the offshore standards in the SQSS, do not have the same levels of circuit redundancy as compliant onshore connections?

- *Yes.*

Currently, if a restricted capacity had to be shared between parties, entitlements would be set by pro-rating the different parties' capacities. Are more sophisticated arrangements required at this stage for offshore networks or is sufficient flexibility delivered through pro-rating and short term access products?

- *It is not true that Pro-Rata is the method the GBSO uses to "ration" capacity when named circuits are on outage. This is only the case if both generators are available and owned by different parties. If Pro-Rata needs to be used, (i.e. when both generators are fully available), then so be it. Simple is good in this instance.*

Compensation

Should Offshore Transmission users be compensated for a loss of access due to a problem on the onshore component of the transmission system on the same basis as onshore users?

- *Yes, through BOAs or CAP48 as long as this element is of the system is compliant under the GBSQSS. If compliant with GBSQSS onshore = compensation, if not compliant = no compensation.*

Do you agree that the most appropriate source for compensation to offshore users in the event of an offshore access restriction is the Offshore Transmission Owner under and OFTO Incentive framework?

- *No - Offshore Users will benefit from the shallow TNUoS charging approach and sharing of charges with demand Users. If the OFTO has to pay compensation as part of an "insurance" package to the offshore generator then all Users will be exposed to the "premium" which will be included in the OFTOs' competitive bids for the licenses. This is a firm connection through the back door.*

Should 'CAP048' style compensation payments only be available to offshore users who have a connection standard equivalent to the minimum standard specified in the SQSS for onshore users?

- *Yes – If compliant with GBSQSS onshore = compensation, if not compliant = no compensation.*

Should any 'CAP048' compensation cover the onshore component of charges as well as the offshore component?

- *Yes – the TNUoS rebate is not that favourable a payment anyway, so the generator should receive this back – it is not getting the service so it should not pay the cost. (This is only if onshore components fail).*