



Gregory Heavens
System Operator – Market Change Electricity
UK Transmission
National Grid
Wokingham

Drax Power Limited
Drax Power Station
Selby
North Yorkshire
YO8 8PH

15 February 2017

Dear Gregory,

Annual review of National Grid's C16 Statement

Drax Power Limited ("Drax") is the operating subsidiary of Drax Group plc and the owner and operator of Drax Power Station in North Yorkshire. The 4,000MW station consists of six separate units, which are capable of producing 7-8% of UK generation. Drax is a predominantly renewable generator, with three of its units having been converted to renewable biomass as part of the largest single site decarbonisation project in the EU.

We welcome this opportunity to provide comments on National Grid's Annual Industry Consultation in accordance with Standard Condition 16 (C16 statement). We generally agree with the suggested changes for consideration but would like to take this opportunity to raise concerns regarding the removal of the reference to Demand Side Balancing Reserve (DSBR) whilst retaining a reference to Supplementary Balancing Reserve (SBR).

Whilst we welcome the removal of the reference to DSBR in the C16 statement, we believe it would also be prudent to remove the reference to SBR, given Ofgem's "minded to" decision to remove both SBR and DSBR cost recovery arrangements from the Transmission Licence for 2017/18 and beyond.

If the reference to SBR is not removed, then there will be conflicting messages provided to the market on National Grid's ability to make use of SBR going forwards. We urge National Grid to ensure consistency of signals and, should the reference to SBR be retained, appropriate messaging is placed in the statement as to why the reference to SBR has been retained and reassurances are provided that National Grid does not intend to procure SBR over the 2017/18 winter period and beyond.

Please feel free to contact me, should you wish to discuss any aspect of this response.

Yours sincerely,

Submitted by email

Joe Underwood
Industry Codes Analyst