

SQSS Industry Consultation Response Proforma

GSR010 – Onshore Entry Criteria

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **17 August 2012** to the SQSS Review Panel Secretary, James Cooper, at james.cooper3@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the SQSS Review Panel when it makes its recommendation to the Authority.

These responses will be published on the National Grid website and included in the Modification Report which is drafted by the SQSS Review Panel and submitted to the Authority for a decision.

Respondent:	<i>Simon Lord</i>
Company Name:	<i>International Power</i>

Industry Consultation Questions

<p>Do you believe that the proposal better facilitates the proposed Applicable SQSS Objectives / existing SQSS Principles? Please include your reasoning.</p>	<p><i>For reference, the proposed Applicable SQSS Objectives are:</i></p> <ul style="list-style-type: none"> <i>(i) facilitate the planning, development and maintenance of an efficient, coordinated and economical system of electricity transmission, and the operation of that system in an efficient, economic and coordinated manner;</i> <p>Yes</p> <ul style="list-style-type: none"> <i>(ii) ensure an appropriate level of security and quality of supply and safe operation of the National Electricity Transmission System;</i> <p><i>Un-clear. The increased probability of disconnection of multiple smaller units needs to be quantified compared to the existing standard.</i></p> <ul style="list-style-type: none"> <i>(iii) facilitate effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity; and</i> <p><i>No : different generators will have different levels of access and security of access (yet pay the same charge), this is not limited to the single circuit issues. A large power station is less likely to be disconnected than small power stations (with double circuits) but pay the same for access. Disconnection results in complete removal from the market with little or no compensation.</i></p>
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	<p><i>This proposal now reduces the connection standard for smaller generators</i></p> <p>(iv) <i>facilitate electricity Transmission Licensees to comply with their obligations under EU law.</i></p> <p>N/A</p> <p><i>The SQSS Principles are:</i></p> <p>(i) <i>development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission;</i></p> <p>(ii) <i>ensure an appropriate level of security and quality of supply and safe operation of the National Electricity Transmission System; and</i></p> <p>(iii) <i>facilitating effective competition in the generation and supply of electricity</i></p>
<p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p>	<p><i>No The proposal does not meet the (iii) criteria of the SQSS and will lead to competitive advantage for larger power stations that will be better connected and less likely to suffer disconnection. The proposal increases the probability of disconnection for smaller gen sets.</i></p>
<p>Minimum System Connections for Generation Connections – do you agree that the proposed modification meets the principles and/or objectives of the SQSS?</p>	<p><i>No. We believe that it does not meet criteria (iii). We believe that the minimum connection standard should be a double circuit (as now) if a customer chooses a single circuit this is possible but it is customer choice not the default arrangement. In addition changes should be considered to the compensation/connection arrangement to ensure that the probability and consequences of being disconnected are independent of size or load factor.</i></p>

<p>Minimum System Connections for Generation Connections – do you have any comments on possible commercial implications that you would wish the CUSC Panel to take into consideration? Which CUSC option would be preferable - redefine when compensation should be paid (but with potentially higher TNUoS) or maintain the existing arrangements?</p>	<p><i>See above</i></p>
<p>System Resilience for generation at single circuit risk – do you agree that the proposals are appropriate and satisfy the principles and/or objectives of the SQSS?</p>	<p><i>No we do not agree that this proposal meets the SQSS criteria (iii) and further analysis of probability of disconnection is required for (ii).</i></p>
<p>Revision of Selected Definitions - do you agree that the proposed modification provide clarity and better meets the principles and/or objectives of the SQSS?</p>	<p><i>It provides clarity but explicitly provides stronger access for larger high load factor power stations that could be considered discriminatory given that all uses with double circuits suffer the same charge. The Cost benefit does not include the cost/probability of disconnection for the user. Change is not required as the current system is clear enough.</i></p>
<p>Standard Connection Schemes - do you agree that the proposed modification provide useful guidance and transparency and satisfy the principles and/or objectives of the SQSS?</p>	<p><i>No it explicitly provides better access for larger power stations. The current SQSS is clear , the proposal effective reduces the security standard for smaller generation sets.</i></p>
<p>Location of Grid Entry Points – are you satisfied that the proposals further the principles and/or objectives of the SQSS?</p>	<p><i>No comment</i></p>

Do you have any other comments?

The cost benefit analysis does not consider the cost/probability of disconnection but assumes that units will be bid off. This is inconsistent with the reality when single circuits are disconnected. The Probability of being disconnected for the various size/load factors needs to be included in the cost benefit. A table should show how the probability of being disconnected changes with size and load factor.