Sirs

Please pass on my musing to those considering the stability and capacity to supply the countries electrical demand over the next few years. These are my thoughts and do not represent any company or other interested body although it should be noted I do work for an electricity supplier within the UK.

I work within the Electricity Supply Industry within generation and have worked at coal, gas, nuclear & oil sites since 1980 . I am an operations engineer and as such, have been involved with bidding and managing generation since before the de-vestment .
Whilst within the CEGB the operation of the fleet was governed by efficiency but since the development of the trading market and the privatisation of the industry, the generators are more likely to be be manipulating their part of any fleet they hold , to maximise income. This is not in itself an entirely bad thing.
With regard to current considerations for a Strategic Reserve Capacity , it is worth considering the current fossil fuelled fleet about to be withdrawn from the market. The reason in some cases being the Large Combustion Plant Directive dictate to the running hours left for opted out plant.

If this opted out plant was retained in a state of readiness , it could be moved into a SRC pool. Readiness to generate would require statutory requirements to be met with regards plant maintenance and also a Notice To Synchronise time dictated by the predicted demand. ie It would not always be at (for example) 4 hours notice to sync, but could be if notified in advance of a likelihood of need.

The plant would need withdrawing from the market (as planned) but then held by a governing agency at the call of the system managers , the National Grid.
To recoup costs the plant could receive only its Cost Recovery Price during generation and would be disallowed from affecting the trading pool prices for other generators. The use of the SRC generators would only be when demand exceeded capacity and may or may not be used in place of demand side management (system load shedding) .
To ensure this SRC capacity is retained and funded when not required, a annual capacity payment would be made to cover its non generating costs.
This pool of SRC units would diminish as age related failure or catastrophic failure took its toll and would therefore be a short term measure only.
Site ownership and management of the SRC stations and units could remain at the current owners to remove purchase implication , but the availability and despatch be from National Grid control rooms. To maintain a state of readiness , a tri annual test to achieve Synchronisation and loading for a very minimal period world be required. Annual evaluation of the plant would be required and at some point , newly retiring plant could be entered into the SCR thereby eventually reaching the historically advancing , lower emission standards .

The investment made by generators of opted in plant could form the basis to an extremely expensive legal challenge as they could view this as an extension to opted out stations life expectancy.

The investments they have made to clean up the emissions have resulted in lower efficiency and higher bid prices at the expense of market share. The SRC would need close scrutiny to ensure they did not affect system pricing.

Any actual generation undertaken by the SRC would of course be in breach of the LCPD as currently understood but there is already an unhealthy dash towards high capacity , low efficiency Open Cycle Gas Turbine Plant which will not in all cases be fired on clean gas. Various distillates will be used.

Yours Sincerely
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