



Future Electricity Networks Team  
Department of Energy and Climate Change  
Area D, 4<sup>th</sup> Floor  
3 Whitehall Place  
London  
SW1A 2HD

13th April 2010

Dear Sir/Madam,

## **Improving Grid Access – Technical Consultation on the Model for Improving Grid Access**

### **Overview**

InterGen is the UK's largest and most successful new entrant generator, having invested £1.4 billion in the UK since 1995. InterGen owns and operates three highly efficient gas fired power stations in the UK totalling 2,490MW and is seeking to develop up to 2GW of additional generation in the next five years. Our response to this consultation is based on our experience and growth plans.

InterGen believes that a transparent, straightforward regime for securing long term grid access is key to delivering the levels of investment required in the UK to meet renewable targets and security of supply. InterGen remains fully supportive of the Connect and Manage (Socialised) model proposed in the August 2009 'Improving Grid Access' consultation and is delighted to see this is the favoured approach being taken by DECC.

### **User Commitment**

The Technical consultation document proposes an increase in user commitment for new and existing generators from one to two years. InterGen agrees with this approach; the system operator and transmission owners must have the ability to plan strategic network investment ahead of plant closures. This increase will facilitate transmission investment occurring concurrently with generation investment, having the impact of reducing constraint costs long term, as the Redpoint analysis demonstrates. InterGen believes that the resulting increased exposure for generators is outweighed by the benefits from efficient network upgrades and reduced constraint costs. InterGen supports DECC's proposal that security will not be required to back up this increased commitment (in the form of LC's) since such a proposal would be unfavourable for smaller market participants.

### **InterGen (UK) Ltd**

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## **Enabling Works and interaction with inter-trips**

InterGen is pleased that DECC put forward an addendum to the consultation with a clearer definition of Enabling Works since this allowed an improved analysis.

InterGen has two comments on principles related to this definition and a number of more detailed points.

### ***Enabling Works and interaction with Inter-trips: comments on principles***

1. **The definition of Enabling Works and Category 2 inter-trips should be aligned.** InterGen believes that the Category 2 inter-trip definition (separating it from Category 1) should align exactly with the definition of enabling works (such that Category 1 relates to wider system works). The Grid Code definitions of the inter-trips pre-date the present consultation. Making the inter-trip definitions align exactly to the Enabling Works-Wider System Works definition would simplify and match the split of risks taken by NGET and connected parties under Enduring Connect and Manage. There is no logical reason for them to differ.
2. **The Enabling Works and MITS substations assessment should be forward looking.** If, for example, a developer wishes to connect new generation in 2015, NGET should consider the anticipated architecture of the transmission network in 2015 when making an offer rather than simply reviewing the system as it presently stands. This generally will enable co-ordinated and rational growth of the transmission network and will allow all to benefit from the increasing number of MITS substations developed over time.
3. **Self determination of derogations by NGET is appropriate, but there should remain the option for a connected party to appeal to the Authority.** The developer needs to be able to challenge an NGET decision where NGET deems non-compliance with the GBSQSS as unacceptable. Allowing NGET a unilateral veto is not an appropriate transfer of control to NGET.

### ***Enabling Works and interaction with Inter-trips: detailed comments***

1. The MITS substations identified in the consultation addendum appear inconsistent with the definition. The 'Maximum Enabling Works' are defined as those transmission reinforcement works (inclusive of substation works) that are required to connect the new generating station from its connection site to a 'MITS substation' and a 'MITS substation' means a transmission substation with more than four main system circuits connecting at that substation. We do not agree that the diagram in the addendum to the consultation consistently applies this definition. By way of example, if Willington is (as shown) a MITS substation, then are Tilbury and Swansea North not MITS substations?
2. The depth to which fault levels (CUSC section 13.2.4.5) should be assessed should be revised to be limited to keeping the fault levels below the rating of the switchgear in the connected party's immediate area of influence on the transmission network. Otherwise, for example, new generation in the north of London could cause fault rating issues at a substation in the south of London under certain system configurations. There is no rationale for a new generator to be penalised for this.
3. A definition and its potential impact of the 'access restrictions' which can be applied for by a developer to reduce the amount of enabling works should be included. This will enable the developer to make an informed decision.
4. We agree that the possibility of increasing the amount of enabling works could potentially be beneficial to any developer. This could improve the proposed connection date by the developer undertaking some of the work which

would normally be carried out by NGET (as long as it is constructed to NGET technical standards). The financing of such an arrangement will need to be defined.

## Conclusion

In conclusion, InterGen is fully aligned with the proposals set out by DECC in this consultation. Fully socialising constraint costs under the enduring Connect and Manage regime will go some way to help facilitate the Government's transition to 2020, and the addition of increased user commitment will adequately address where network investment is needed most.

In addition, securing investment in renewable generation and thermal plant to meet 2020 targets and alleviate security of supply concerns is a challenge for Government and industry alike. InterGen believes that the proposed Enduring Connect and Manage regime goes some way to help procure that investment, though would stress that a continually stable and transparent regulatory regime is essential to ensure the levels of investment remain sufficient in the coming decade.

To further encourage investment in power generation and ensure security of supply, InterGen also considers that the enduring Connect and Manage could also be extended to cover the raising of the Infeed Loss Limit from its current 1,320MW to 1,800MW on the basis that this will help facilitate early access for new renewable and thermal projects to the grid network (and hence meet renewable and security of supply targets). In addition, such costs should be fully socialised to encourage new entrants – all in line with the principles and spirit of enduring Connect and Manage.

InterGen appreciates the time DECC has taken throughout this process to engage fully with consultees. In addition to the two consultation documents, DECC has run workshops and facilitated face to face meetings, both of which InterGen has participated in fully and believe both parties have benefited from this level of engagement.

Please contact me should you wish to discuss any of the above.

Yours faithfully,



Melissa McKerrow  
Head of Public Affairs and Regulation

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