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Dear Mark

### **SQSS Fundamental Review Update and Consultation Report**

EDF Energy welcomes the opportunity to respond to this consultation. The key messages of our response are as follows:

- The quality and reliability of electrical supply is of fundamental importance for all connectees to the GB transmission system, i.e. suppliers, consumers and generators.
- Recommendations from this review may have consequential technical, safety and commercial considerations, and so these should be considered in parallel and be subject to a broader review and impact assessment.
  - Changing the standard of connection for different classes of generator creates differential treatment. This requires a thorough cost benefit analysis and impact assessment, as without proper justification this treatment could be considered discriminatory.
  - Banding of generation sizes and load factors as proposed by the working group seems to be arbitrary. The consultation also suggests that connection security could be based on aggregate generation size and load factor for groups of generators; it is unclear how this would work in practice. The justification for this banding and aggregation should be presented more clearly. For example, the potential different operating regimes of a number of generators behind one 'group load factor' figure are extensive.
  - All generators will at some point wish to export at their maximum technical capacity and the SQSS must always accommodate this. This is a primary requirement of a generator's connection and should take precedence over any consideration of a generator's load factor.
  - No direct consideration is given to the reliability afforded to a generator of their grid connection. Transmission system connection is the first step in the route to market within GB and, where this is interrupted, appropriate compensation should be provided.
- We note that this review intends to standardise some regional variations within the SQSS, and these appear relatively minor and well thought through.
- Where further analysis and assessment has been recommended it is important that the wider industry remains informed of this work and is able to contribute.

## **Introduction**

For the operation of any power station safety is a primary concern. For EDF Energy and our nuclear power stations in particular we have a number of back-up power supplies in the event that the transmission system fails. However, it is our preference to have a secure, stable power supply from the GB transmission system. Indeed this is a factor in our operational power station safety cases. Thus any changes to the quality and reliability of supply standard would need to be well understood and assessed on a case by case basis. We therefore welcome the detailed analysis which has been undertaken to date as part of the SQSS Fundamental Review.

We discuss the recommendations for consultation below, and, while we believe that the proposals retain the existing safety and technical principles, there are potential commercial considerations which are not addressed by the SQSS Review Group. We would wish for broader consideration of these aspects and a full impact assessment of the consequential effects prior to any final recommendations being made to the Authority.

## **Working Group 2 recommendations**

There are a number of different recommendations from this working group and we will discuss these below.

### **Minimum generation connection resilience**

We recognise that there should be efficiency in decisions on the level of system security and working group 2 has considered minimum generation connection designs for classes of generator; unlike today these are proposed to be based on size and load factor.

Any proposal to vary the minimum level of security of a generation connection could have significant ramifications and it is very important that this is understood prior to any further recommendations and decisions. We have a number of comments in this respect, which are set out below. These comments cover substantial issues and should be debated prior to any recommendations being made to the Authority.

- Changing the standard of connection for different classes of generator creates differential treatment. This requires a thorough cost benefit analysis and impact assessment; without proper justification this treatment could be considered discriminatory.
- Banding of generation sizes and load factors as proposed by the working group seems to be arbitrary. The consultation also suggests that connection security could be based on aggregate generation size and load factor for groups of generators; it is unclear how this would work in practice. The justification for this banding and aggregation should be presented more clearly. For example, the potential different operating regimes of a number of generators behind one 'group load factor' figure are extensive.

- All generators will at some point wish to export at their maximum technical capacity and the SQSS must always accommodate this. This is a primary requirement of a generator's connection and should take precedence over any consideration of a generator's load factor.
- No direct consideration is given to the reliability afforded to a generator of their grid connection. Transmission system connection is the first step in the route to market within GB and, where this is interrupted, appropriate compensation should be provided.

EDF Energy notes the use of Local Capacity Nomination (LCN) throughout the proposals of working group 2 in respect of transmission entry connections. It is reasonable to assume that under the original CUSC proposals for transmission access (where Transmission Entry Capacity (TEC) might be traded as a product) that TEC is inappropriate for a technical standard. However, until a determination is made by the Authority on the CUSC amendments which might introduce LCN, this should be kept under review. A technical reference to a generator's capacity might be more appropriate than a commercial term.

### **Group demand estimation and generation contribution to demand security**

The working group discussed the contribution that distributed generation can make to demand security and makes some recommendations to remove regional differences. It is important to understand that certain generation technologies will not allow network operators to secure demand. We would not want to see any changes to P2/6 regarding contribution from wind generation until further experience is gained with respect to availability and reliability. We also believe there is a need to be aware of the growing level of latent demand at lower voltage levels that might present itself at higher voltage levels from time-to-time. Furthermore, storage and demand side management contracts are also important considerations in this respect. Working group 2 recommends a joint assessment and modification of the SQSS and P2/6. EDF Energy notes this and would wish to engage in any future work.

We note the working group recommendation to improve data exchange processes in respect of 'week 24' data, and wish to understand the detail of any such modifications prior to commenting on whether benefits will be delivered. Therefore, we look forward to clarifications that can be provided and we will offer our contribution to any modification processes in due course.

### **Working Group 4 recommendations**

The extensive analysis completed to date by working group 4 is recognised and welcomed by EDF Energy. As we have discussed, changes to the quality and reliability of supply standard would need a careful re-assessment of the impact on each of our power stations. In particular the issues which would be of concern to us are any reductions in the stability, frequency or voltage performance and quality of supply standards that could directly

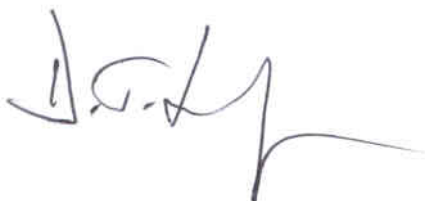
affect any of our power stations and customers. The recommendations of working group 4 do not seem to fundamentally change the principles behind the standards. There appear to be some specific proposals to eliminate some regional inconsistencies and clarification of requirements which subject to assessment should not pose a threat to our power stations. We note there are a number of suggestions for further work and we will need to keep these under review.

### **Other areas**

EDF Energy agrees with the principles of the proposals to clarify text in respect of demand management and has no further comments in respect of the draft text proposing changes to the SQSS on demand management usage. We also have no concerns in respect of the proposed change to the regional variation in peak demand planning criteria and welcome the consideration of probabilities and impact undertaken by the Review Group prior to proposing these changes.

If you have any queries on this response or would like to arrange a meeting to discuss it further, please do not hesitate to contact my colleague Rob Rome on 01452 653170, or myself.

Yours sincerely

A handwritten signature in black ink, appearing to read "D. Linford".

**Denis Linford**  
**Corporate Policy and Regulation Director**