

Our Ref
Your Ref LDTEC

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Dear Adam,

Initial Thoughts Consultation: Introduction of a new charge for Limited Duration TEC.

EDF Energy are pleased to have the opportunity to respond to this consultation on the charges which should apply were Limited Duration TEC to be introduced. In our response to the CAP094 consultation, we have declared our support for the Indicative Profiled Block variant of LDTEC, but the comments below are applicable to any of the Working Group Alternative Amendments.

1. Is it appropriate to adopt the charging principles established by the introduction of STTEC for developing the charging arrangements for LDTEC?

We agree with National Grid that TEC should remain the predominant access product and therefore believe that the principles established by STTEC are also appropriate for LDTEC. It seems logical that the more LDTEC tends towards TEC, then charging should look similar to the TEC charge and the more LDTEC tends towards STTEC then charging should be based on the STTEC model.

2. How do TEC and LDTEC differ; what impact does this have on TEC remaining the primary product for transmission access?

LDTEC should provide an additional opportunity for a generator to gain transmission access in circumstances where TEC is unavailable; it does so because it is assessed against the operational background rather than against planning standards as TEC is. For a generator, there is an inherent risk in using LDTEC, particularly if in place of TEC, as access may not be available when requested or in the case of the IPB may not materialise despite the best efforts of National Grid.

There is however a risk that generators owning peaking plant could use LDTEC instead of TEC to gain access for the peak period and pay less than they would do for a full year's access. It is this which the charging methodology needs to guard against.

3. What level of premium would be necessary to protect TEC, how can this be justified?

It is difficult to assess just what level of premium is appropriate for LDTEC, but believe that with the 'Up-front' profile the premium over a longer period need not be as high as that currently included in the price of STTEC.

4. Should LDTEC charges be derived from locational TNUoS tariffs in positive charging zones and be zero in negative charging zones?

As LDTEC is, by definition, an alternative way of gaining access to the transmission network then it stands to reasons that charges for it should be derived from TNUoS tariffs. To do otherwise in positive charging zones would undermine the cost-reflective nature of the existing charging model. However, for negative charging zones, LDTEC would not provide any additional benefit to the transmission system that could not already be achieved by the use of TEC. To pay generators for LDTEC over and above a negative charge for TEC would be inefficient and detrimental to all other users of the transmission system.

5. How appropriate are the tariff profiles identified?

As stated in our response to question 1, we believe it logical that LDTEC for the greater part of a year should not be charged at a particularly high premium when compared to TEC but that shorter periods should be. Therefore the 'Up-front' tariff profile would give most benefit to the transmission system without undermining TEC; unlike STTEC this profile would not be significantly more expensive than TEC for generators who wished to use it for longer periods of time.

Given that a generator can apply for LDTEC for the balance of a year, we do not see why separate applications should become part of the same profile. The original intent behind the Amendment Proposal was to utilise spare capacity on the transmission system for the balance of a year, not to provide flexible access. The Profiled Block and Indicative Profiled Block variants allow more access to be made available but where a generator applies for LDTEC the charging structure should incentivise longer-term applications.

6. What is the most appropriate capacity driver for setting charges?

Whilst there is a risk that a peak charge for LDTEC could mean that the user pays a full rate for a limited period of access at that level, we feel that this is the most appropriate means of charging for access as this is consistent with the access granted by TEC. In the case of the PB or IPB, the generator can choose the final level of access that they accept, thus capping their liability.

7. How should the use of TEC and an equivalent level of LDTEC within the same year be treated?

TEC and LDTEC are separate products so we do not necessarily see why the charges for each should interact.

8. Are the drivers for the LDTEC application fee appropriate?

As longer periods of LDTEC will require more assessment by National Grid, we believe it entirely appropriate that the application charging structure reflects this.

We hope that you have found these comments useful, if you have any queries, please do not hesitate to contact me on 020 7752 2524 or Rupert Judson on 020 7752 2526.

Yours sincerely



Stephen Moore
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