

Ireland, Tom

From: Baker Simon [simon.baker@british-energy.com]
Sent: 08 September 2006 17:01
To: Ireland, Tom
Cc: 'Greig, Elaine E'; 'Grainger, Bill'
Subject: GB ECM-06: Pre-Consultation regarding SQSS Design Variations

Response to Pre-Consultation from Lewis Wind Power Ltd (LWP).

Dear Tom

Thank you for the opportunity to comment on the above consultation which is of particular relevance to LWP, a joint venture between British Energy and Amec. We are developing a large wind farm on the Isle of Lewis, off the north west coast of Scotland. The views in this response are those of LWP specifically. Separate responses may have been made by the joint venture partners individually.

Our comments specifically relate to Scottish Island and Offshore generation connections where the transmission assets might initially be used by one or a few generators.

We agree with the concept that if the generator ultimately pays for a connection they should have the opportunity to choose the level of commercial risk they are prepared to bear. Of the options presented, Option 3 most closely aligns with this concept and is therefore favoured.

However, we question whether the current Use of System Charging methodology will be accepted by Ofgem for Island and Offshore connections. The basis for our scepticism results from their reluctance to publically state the circumstances under which they will sanction Island or Offshore links in a TO's price control. As far as we aware, the most recent statement on the former was in TIRG report 288/04 which suggested that to ensure the consumer is protected, longterm bilateral contracts might be appropriate similar to the arrangements Shippers have with Gas network operator. It is therefore far from clear that longerterm commitment to say TNUoS would be acceptable. The ultimate arrangements deemed acceptable have a significant effect on the costs a generator will bear and therefore the costs and benefits of SQSS versus less secure options.

Whilst the proposed consultation is very welcomed, we respectfully request it be expanded to encompass issues a generator would need to consider when making such decisions, these include the:

- direct cost to the generator of the connection options - which requires arrangements to be clarified
- scale and term of any guarantees required - which requires arrangements to be clarified
- implications for timescales of delivery that different options present
- availability and repair time duration guarantees that will be provided by the TO
- influence the generator will have over routine outage timings and durations
- electrical losses that the generator would be required to endure

In addition, economic analysis to back up some of the broad assumptions stated in the Preconsultation would be welcomed. For example, quantification of scale of compensation costs to a large windfarm if connected under different SQSS scenarios.

Finally, clarification on how this consultation will interact with OTEG would be appreciated.

Please feel free to give me a call to clarify any of the points made.

Yours sincerely

Simon Baker
For and on Behalf of Lewis Wind Power

28/09/2006

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