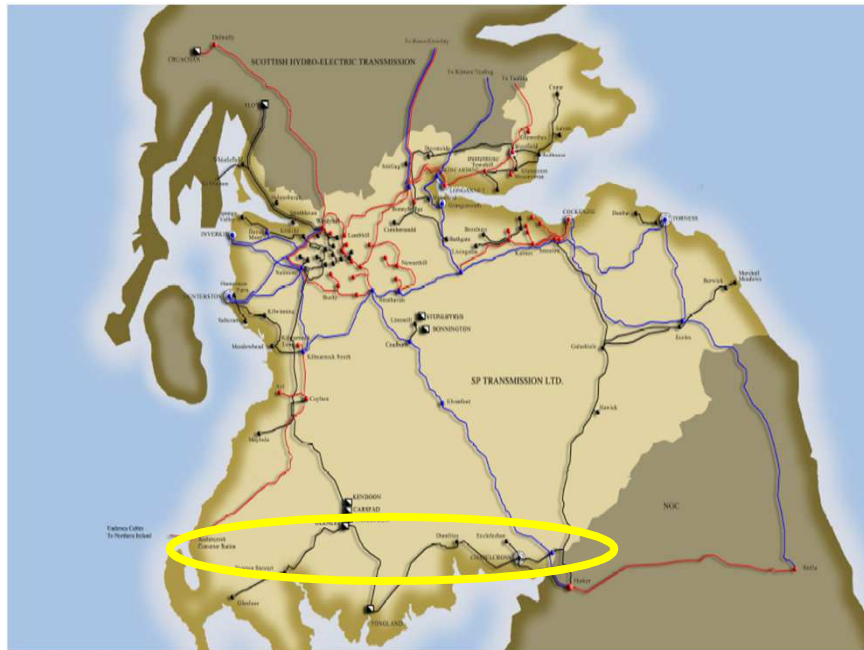


October 2016



Dumfries and Galloway Developer Forum Feedback Update

Feedback Update

On the 29th July SPT held our first Dumfries and Galloway Developer Forum. The aim of this was to provide an update on what we are progressing in the Dumfries and Galloway area and how this will affect Generators.

SPT presented some ground breaking changes in how we are going to build and manage the Network and through discussion groups asked for your feedback. NGET presented how the Cost Benefit Analysis was carried out and how a Commercial solution will be created so that no party will be adversely impacted.

This document aims to provide some commentary on that feedback and set the scene for our next D&G Developer Forum planned for 18th November 2016.

Following the event the presentations were circulated and can be found [here](#)

Feedback Update

You Said: Better visibility and understanding of the Cost Benefit Analysis (CBA) would help understand the decision made not to progress the larger D&G reinforcement.

Our response: The slides presented on the 29th July provides a good overview of the CBA carried out. If anyone should like to discuss the CBA in anymore detail NGET and SPT are happy to arrange a meeting to do this. Contact details can be found at the end of these slides.

Feedback Update

You Said: We require better understanding of the 95% of energy being able to flow unconstrained in D&G and how the FES Scenarios' were used as part of the CBA.

Our Response: The 95% refers to a percentage of the volume rather than time and is calculated over a time horizon which extends from the 2023 to the final year of FES, 2035. NGET calculated this based on a Gone Green FES scenario. What it tells us, is that for a single scenario 5% of the volume of plant will be constrained on average. What it does not tell us is how this 5% is derived (importantly where on the system the constraint takes place, it may or may not be one of the local boundaries). The gone green scenario was used as the "most onerous case" as it aligns closest with the current contracted position. If this does not fully materialise the % of energy constrained may be less than 5%. If anyone should like to discuss the CBA in anymore detail [NGET](#) and [SPT](#) are happy to arrange a meeting to do this. Contact details can be found at the end of these slides.

Feedback Update

You Said: Will there be a TEC Amnesty on Transmission in the near future?

Our Response: NGET keep the TEC Amnesty process under review and as always if it becomes clear that one is to be progressed in future they will confirm this in an open and transparent manner with all relevant parties

Feedback Update

You Said: Future connecting capacity, will that trigger new additional works above the reduced scheme?

Our Response: The scenarios used in the CBA included a range of future generation capacity which is currently not contracted or consented based on local scenario intelligence. We feel this provides good coverage of future growth requirements. We do not envisage a need for additional works because we think the scenarios we used proved this would be un-economic against all reasonably foreseeable futures.

Feedback Update

You Said: This will introduce new risks to projects - remodelling requirement, insurance against loss will increase enhancing implications

Our Response: We are not at the stage where any specifics of a future commercial solution are developed yet. The contractual position that was to be achieved by the full Dumfries and Galloway 400kV option is intended to be provided by a commercial solution with no detriment to each contracted party. Risks do exist to achieve this but we are committed to delivering an acceptable solution.

Feedback Update

You Said: Please provide information on level of compensation of parties affected

Our Response: The level of compensation will relate to the level and means of constraint required to protect the transmission system. As explained above this is expected to be 5% or less of the energy required to balance the network. However, this will depend on the amount of generation that ultimately connects and the overall needs of the GB system.

Feedback Update

You Said: To what extent was the analysis undertaken, fault level analysis, power quality?

Our Response: The SO carries out economic modelling using boundary capabilities supplied by the TO. To determine these capabilities the TO studies thermal, voltage and fault level.

Adherence to Power Quality standards will be achieved by more detailed studies carried out when specifying which plant and equipment will be used.

Feedback Update

You Said: What is the immediate view on risks?

Our Response: We are working to better understand the risks so we can appropriately mitigate them. The scope and scale of the operational and commercial solutions are significant and there is no off the shelf package. However, the industry is evolving to meet the needs of intermittent generation on many fronts and this scheme will be one of the solutions to meet the needs of the future transmission system. We are committed to achieving this and are eager to work with all stakeholders to understand the risks and identify solutions.

Feedback Update

You Said: What are the new contracts going to look like?

Our Response: SPT are providing contract updates to NGET by end of November for all contracts which contain SPT-RI-141, SPT-RI-147 and/or SPT-RI-160 to remove them and where applicable replace with the new reinforcement instructions. This will remove the requirement for securities for projects which are not being progressed. SPT and NGET will work closely with developers to further update contracts as the Commercial and Technical solutions for D&G are created.

Feedback Update

You Said: What is the impact on future connections

Our Response: SPT expect new offers will reflect the changes that will be made to existing contracted offers updated to include the new reinforcements that are now planned. The updated and new offers are likely to include an additional stage requiring a commercial solution to be established by 2023 in lieu of the Dumfries and Galloway reinforcement.

Next Event

SPT will be hosting our next D&G Forum on the 18th November in Glasgow. Invite will be issued shortly for this.

If you would like to arrange a meeting with SPT or NGET to discuss any queries regarding connection, D&G, the CBA outcomes please contact your NGET CAM or Cheryl Blenkinsop on 0141 614 6612 transmissionconnections@scottishpower.com