NGT Seven Year Statement - *Flagging Future Development*

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Contents

- Why is the Seven Year Statement produced?
- What is the Seven Year Statement (SYS)?
- Contents of the SYS
- Plant Margins
- Statement of Opportunity
- Conclusions

Why is the Seven Year Statement produced?

- National Grid Company, as holder of a transmission licence, has an overriding duty to:
  - Develop and maintain an efficient, co-ordinated and economical system of electricity transmission; and
  - Facilitate competition in the supply and generation of electricity
  - Meet the planning standards outlined in the licence

What is the Seven Year Statement (SYS)?

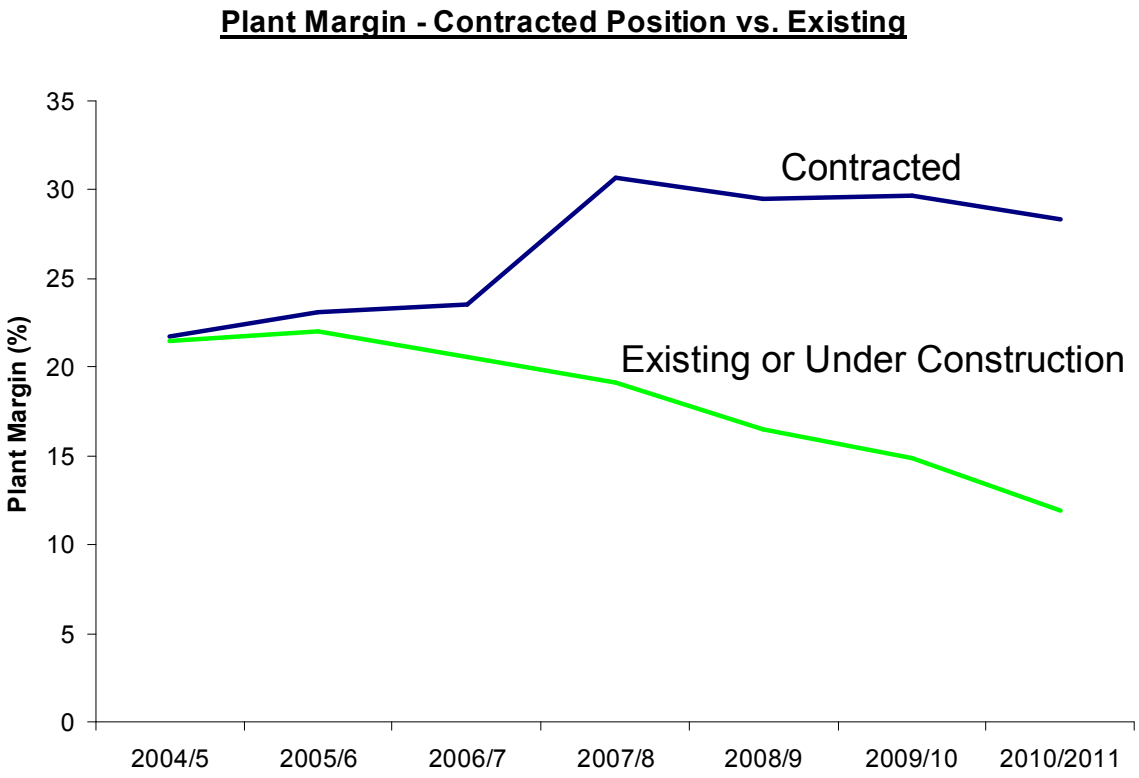
- The SYS outlines GB transmission system developments over a period of seven years
- It is produced by National Grid Company in conjunction with Scottish Power and Scottish Hydro-Electric
- It includes information on
  - demand
  - generation
  - plant margins
  - transmission system characteristics / performance
- It's purpose is to allow companies to evaluate opportunities for connecting to or making use of the GB transmission system

Contents of the SYS

- Introduction
  - Background and Executive Summary
- Demand
  - peak demand forecasts aggregated
- Generation
  - existing and contracted connections
- Plant Margins
  - generation vs. demand
- Transmission System
  - structure, development, boundary capabilities, tariff zones, etc.

Plant Margins

- Generation/Demand
- Indicator of future opportunities
- Approx. 15 GW of new generation contracted to connect by 2010/11
- 4.5 GW of this is wind generation in Scotland



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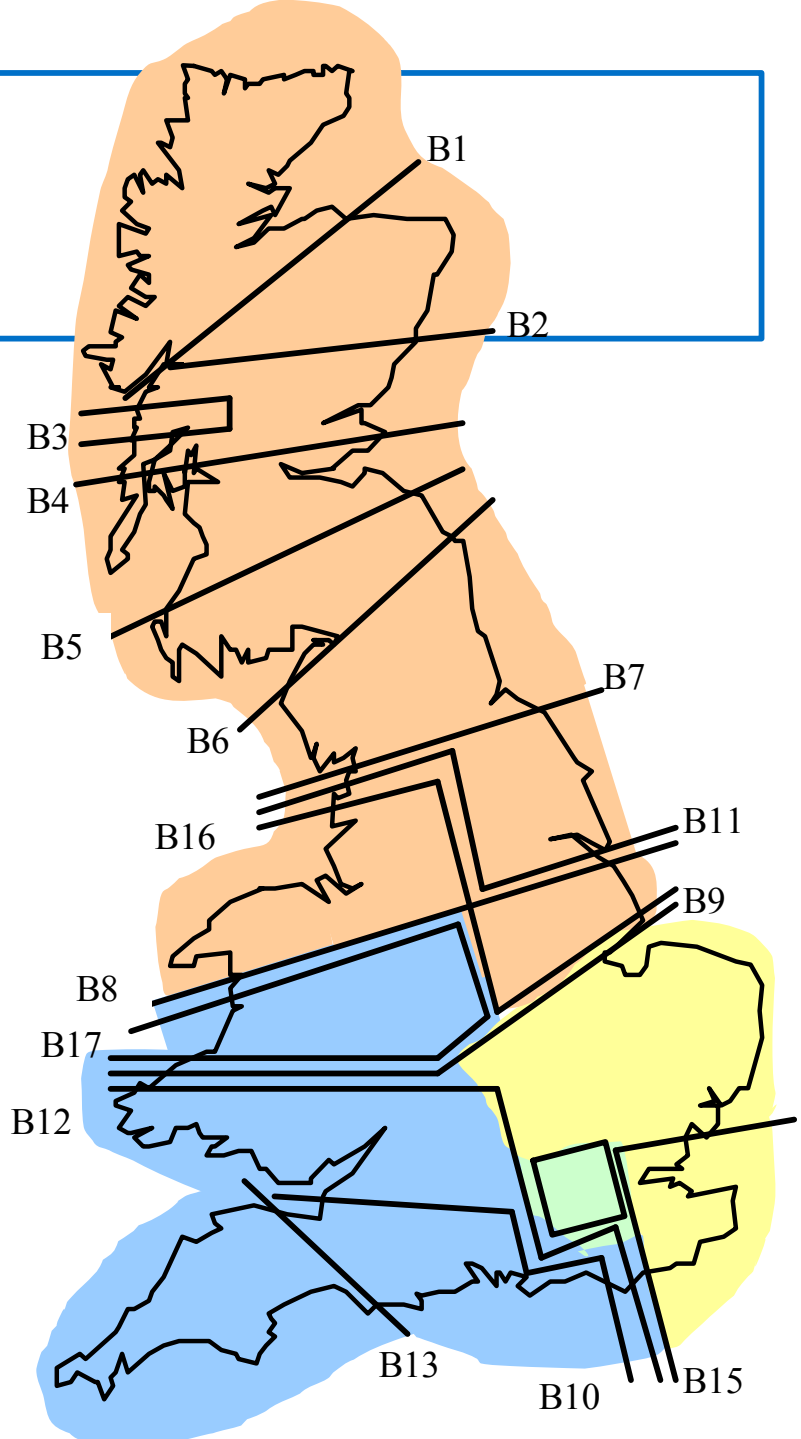
Statement of Opportunity

- Consideration of these boundaries serves to illustrate:
  - Transmission system reinforcements
  - Areas most suited to new generation connections



Key:

- Low up to 0.75GW
- Medium: up to 1.5GW
- High: up to 2GW
- Very High: up to 3GW

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Conclusions

- Lower plant margins in future open up opportunities for new generation connections

- Depending on geographical location, boundary capabilities may be a barrier to entry