

18 March 2003

Dr Eileen Marshall CBE
Managing Director- Competition & Trading Arrangements
Office of Gas and Electricity Markets
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Dear Eileen

Electricity Generation Standard Condition 18: Generation unit availability.

Immingham CHP LLP welcomes the opportunity to comment upon Ofgem's consultation document, 'Electricity Generation Standard Licence Condition 18: Generating unit availability'.

Immingham CHP LLP believes that within a fully competitive electricity market, the provision of Standard Licence Condition 18 (SLC18) would be redundant. However as a consequence of the electricity market not being fully competitive, hence the re-concentration in the generation as well as the supply of electricity. As a result Immingham CHP LLP recommend retaining the condition but its application being on a selective basis.

The current basis for imposing SLC18 on National Power, Powergen and Nuclear Electric is clearly outmoded. Immingham CHP Limited proposes to replace the current measurement of generation market share to a threshold based on a measure of market concentration. The market concentration parameters should be formalised through guidelines.

Finally, Immingham CHP Limited would like to stress that the replacement condition of market concentration should be robust to the formation of groups, for example, the recent consideration of financial institutions pooling generation.

Yours sincerely,



Rekha Patel
Power Regulatory Analyst