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1 October 2015

www.nationalgrid.com

For the attention of Mohammed Jaffar

Dear Sir

**Re: Request for Statement of Works received on 17 August 2015
For 168.52 MW of Embedded Generation at Cellarhead Substation
User Agreement Reference No. A/ME/90/7-4EX(1)**

I refer to your **Request for a Statement of Works** in relation to the possible connection of the above embedded generators to your **Distribution System** (the "Project"). **The Company** started processing this request on 10 August 2015.

We have now undertaken an initial assessment of the significance of the Project and believe the **Embedded Generation** does not have a significant impact on the **National Electricity Transmission System** (for the avoidance of doubt, such significant impact involves either party in an expenditure of more than £10,000) and would advise you of the following implications:-

i. Requirement for works on the **National Electricity Transmission System** where such works are not at a **Connection Site**

NO

ii. Requirement for works to the **National Electricity Transmission System** at a **Connection Site (Grid Supply Point)**

NO

iii. Necessity for **Site Specific Requirements** (at the site of connection) of the **Power Station**

YES

As a result of the connection of the embedded generation declared in the Statement of Works, an additional ~ 17.88 of leading MVars will need to be provided by Western Power Distribution (WPD) in order to ensure the Transmission System remains voltage neutral to mitigate wider issue of High Voltage on National Electricity Transmission System.

WPD shall ensure that each embedded small power station included in this submission shall have a reactive capability of between 0.95 Power Factor Lead to 0.95 Power Factor Lag at Rated MW at the System Entry Point allowing WPD to contain local voltage within acceptable limits at the Transmission Owner/Distribution Network Operator interfaces.

There is no restriction on WPD if they wish to employ an alternative method to manage MVar transfers at the Grid Supply Point as long as it is installed prior to the connection of the embedded generators included in this Statement of Works submission, for example through the installation of reactive compensation equipment, intertripping Embedded Generation or the application of other suitable control schemes.

In addition, in accordance with the requirements of BC2.9.1.4, WPD shall maintain a facility such that under emergency conditions on the National Electricity Transmission System, WPD shall have the ability to de-energise the embedded generation upon instruction from The Company. The existing Bilateral Connection Agreement (BCA) between National Grid and Western Power Distribution at Cellarhead will need to be varied to reflect these requirements.

Any Site Specific Requirements necessary will be confirmed in the **Modification Offer**.

This **Statement of Works** will remain valid for a period of 90 **Business Days** from the date hereof, i.e. until 8 February 2016 ("**Expiry Date**"). After the **Expiry Date** this **Statement of Works** will lapse.

Should your customer wish to progress the Project, you will need to advise us of this fact by signing and returning to **The Company** the **Confirmation of Progression** form attached hereto by the **Expiry Date**.

Any signed **Confirmation of Progression** (together with the appropriate fee) received by **The Company** by the **Expiry Date**, together with the information included in the **Request for a Statement of Works**, shall be deemed to be **Modification Application** for the purposes of the **Charging Statements** and for Paragraphs 1.3.2, 6.9.2, 6.9.3 and 6.10 of the **CUSC** which shall apply thereto.

Modification Applications (including deemed **Modification Applications**) will only be valid under this process if received by **The Company** on or before the **Expiry Date**. In such event the **Expiry Date** shall not be extended, and this **Statement of Works** will lapse after the **Expiry Date** except where **The Company** agrees in writing that a revised **Statement of Works** is not reasonably required.

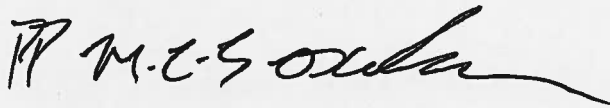
This **Statement of Works** has been assessed as at the date of issue. In the event that the system background changes on or before the **Expiry Date** of this **Statement of Works**, or before the **User** has completed, signed and returned the **Confirmation of Project Progression** with the appropriate fee, **The Company** reserves the right to revise any and all aspects of this **Statement of Works** and will notify the **User** of any changes to this **Statement of Works**.

This **Statement of Works** is made on the basis of and is only valid in respect of the information provided by the **User** in the **Request for a Statement of Works**. If the **User** wishes to make any changes to any information submitted with the **Request for a Statement of Works** a new **Request for Statement of Works** must be submitted to **The Company** before **Energisation** of the connection can take place. Please note, you may not energise the connection of the Project without having received a written notification from **The Company** that the process set out in Paragraph 6.5 of CUSC has been complied with in full.

Please note this **Statement of Works** should be forwarded to the **Power Station** as soon as reasonably practicable in accordance with Paragraph 6.5.5.3 of the CUSC.

All communication in relation to this **Statement of Works** should, in the first instance, be directed for the attention of Steph Wootton, who can be contacted by telephone on 01926 656126 or by email at steph.l.wootton@nationalgrid.com

Yours faithfully



NICOLA MEDALOVA
HEAD OF CUSTOMER SERVICE

FOR AND ON BEHALF OF
NATIONAL GRID ELECTRICITY TRANSMISSION PLC

