

From: [Drax Re-power](#)
To: [Anderson-Rowe, Asha](#)
Subject: FW: Drax Re-Power DCO - National Grid - Response to Further Written Questions
Date: 08 February 2019 13:53:23
Attachments: [image001.png](#)
[National Grid - Drax Re-Power - Response to Further Written Questions \(67481972v1 Legal\).PDF](#)

From: Thomas White [mailto:thomas.white@bclplaw.com]
Sent: 31 January 2019 08:54
To: Drax Re-power
Cc: 'Jefferies, Spencer'
Subject: RE: Drax Re-Power DCO - National Grid - Response to Further Written Questions

Dear Sirs,

Further to the email below, please find attached an amended response submitted on behalf of National Grid Electricity Transmission PLC and National Grid Gas PLC in respect of the Examining Authority's Further Written Questions.

The amended response document now incorporates National Grid's response to Written Question ANC 2.3 (Baseline Scenario) which was provided to the Applicant under separate cover yesterday evening. To that extent, a 7 working day extension is no longer required.

To avoid any future confusion, we would be grateful if you could please disregard the response document attached to the email sent at 18.17 yesterday.

Please confirm safe receipt of this email and its attachment.

Yours faithfully,



THOMAS WHITE
Associate
[BRYAN CAVE LEIGHTON PAISNER LLP - London, UK](#)

From: Thomas White
Sent: 30 January 2019 18:17
To: 'DraxRe-power@pins.gsi.gov.uk'
Cc: 'Jefferies, Spencer'
Subject: Drax Re-Power DCO - National Grid - Response to Further Written Questions

Dear Sirs,

Please find attached an initial response submitted on behalf of National Grid Electricity Transmission PLC and National Grid Gas PLC in respect of the Examining Authority's Further Written Questions.

I would be grateful if you could please confirm safe receipt of this email and its attachment.

Yours faithfully,



THOMAS WHITE
Associate
[BRYAN CAVE LEIGHTON PAISNER LLP - London, UK](#)

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Date: 30 January 2019
Our ref: 26502.00123 / T0726.00134
Your ref:

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The Planning Inspectorate
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By Email Only To: DraxRe-power@pins.gsi.gov.uk

Dear Sirs

Application by Drax Power Ltd for an Order Granting Development Consent for the Drax Re-power Project (the "Project")

Response to Examining Authority's Further Written Questions

We act on behalf of National Grid Electricity Transmission plc and National Grid Gas plc, together "**National Grid.**"

Please find enclosed a copy of National Grid's response to Written Questions CA 2.1 (Plot 5), DCO 2.9 (Protective Provisions) and ANC. 2.3 (Baseline Scenario).

Yours faithfully

Bryan Cave Leighton Paisner LLP

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Appendix 1

Response to Written Question CA 2.1 (Plot 5)

ExA Ref	Question to	Question
DCO 2.9	The Applicant National Grid	<p>At the Compulsory Acquisitions Hearing held on Thursday 6 December 2018 [EV-015], the ExA raised the issue of concern expressed by National Grid in its WR [REP2-044] in respect to the Plot 5 'limbs' in connections with Works Nos 8A and 8B, on which compulsory acquisition of new rights are sought as shown on the Land Plan [REP2-006]. The Applicant responded, also confirmed in writing in its submissions at D4 [REP4-010] that this point is wrapped up in discussions with National Grid on the protective provisions, and that the issue was expected to be resolved by the end of the Examination. The 'limbs' remain on the Land Plans submitted at D5 [REP5-004].</p> <p>Update this position and whether the objection is to be removed.</p>

- 1.1 National Grid notes the response provided by the Applicant in its 'Responses to Written Representations' (dated 22 November 2018), and particularly the Applicant's acknowledgement that any works undertaken in respect of the Drax Substation would be governed by protective provisions and/or the terms of a confidential commercial agreement entered into between National Grid and the Applicant.
- 1.2 In particular, National Grid notes that Paragraph 33(1) of the protective provisions included within Part 4 of Schedule 11 to the draft DCO provides as follows:

"Regardless of any provision in this Order or anything shown on the land plans or contained in the book of reference to the Order the undertaker must not acquire any land interest or apparatus or override any easement or other interest of National Grid otherwise than by agreement (such agreement not to be unreasonably withheld or delayed)."
- 1.3 National Grid is continuing to liaise with the Applicant with respect to the negotiation of satisfactory protective provisions.
- 1.4 However, National Grid's objection to the Applicant's intended use of compulsory purchase powers over the Drax Substation will necessarily remain in force until such time as the protective provisions are in a form which is commercially and operationally acceptable to National Grid.

Appendix 2

Response to Written Question DCO 2.9 (Protective Provisions)

ExA Ref	Question to	Question
DCO 2.9	National Grid The Environment Agency	The Applicant has updated its DCO with its submissions at D5 [REP5-011] in which Schedule 11 has been significantly amended to include new protective provisions for National Grid Gas, National Grid Electricity Transmission and the Environment Agency. Provide a response on these additions.

- 1.1 National Grid notes that Parts 4 and 5 of Schedule 11 to the draft DCO now contain protective provisions which are expressed to be for the benefit of National Grid Electricity Transmission plc and National Grid Gas plc respectively.
- 1.2 Whilst inclusion of these protective provisions on the face of the draft DCO is necessarily of benefit to National Grid, the provisions fail to satisfactorily address certain of National Grid's existing commercial and operational concerns.
- 1.3 National Grid is, therefore, continuing to liaise with the Applicant with respect to the negotiation of protective provisions which are commercially and operationally acceptable to National Grid.
- 1.4 It is currently anticipated that an amended form of protective provisions will be appended to a confidential commercial agreement and expressed to take precedence over the protective provisions included on the face of the DCO.
- 1.5 It is National Grid's intention that agreement may be reached before the conclusion of the Examination.
- 1.6 However, to the extent that it is not possible to reach agreement, National Grid reserves the right to provide further written information to the Examining Authority in respect of any issues remaining in dispute between the parties at that stage of the Examination.

Appendix 3

Response to Written Question ANC 2.3 (Baseline Scenario)

ExA Ref	Question to	Question
ANC 2.3	National Grid	<p>Paragraph 15.4.2 of the ES [APP-083] states that if the existing coal-fired units 5 and 6 were to close, the lost energy would be replaced elsewhere on the National Grid, and that this would be sourced from thermal power sources with similar scale and nature, and similar emission intensity as the existing coal-fired units 5 and 6. The ES acknowledges that this is an assumption and has not been considered in detail.</p> <p>The Applicant provided some further explanation of this at the ISH on Environmental Matters held on Wednesday 5 December 2018 [EV-010 – EV-013], and confirmed in writing in Paragraph 3.63 of its D4 response [REP4-012]. This states that National Grid would replace lost capacity by dispatching power plant capacity based on a stack list, with the more efficient and thus cheaper energy producers being dispatched first. While this might refer to renewable plants if there was an abundance of wind or sun, it is likely to result in thermal plants being called on as they offer grid stability and transfer requirements.</p> <p>i. Comment on the Applicant's assumptions.</p> <p>ii. Explain why renewable resources would not more frequently fill the gap given the quantum of renewable energy source generating stations within the vicinity of Drax Power Station.</p>

- 1.1 National Grid dispatches generation to meet demand in a specific order called the merit order. This is determined by the cost at which each generator bids on to the system.
- 1.2 In basic economics it is assumed that in a perfect world all generators would bid on to the system at their short run marginal cost (SRMC), otherwise known as their minimum operating costs plus fuel costs. For most renewable plants this figure is very low (essentially free) as there are no fuel costs.
- 1.3 The merit order is therefore made up from all available renewable sources, followed by more expensive plant such as gas and coal.
- 1.4 When dispatching generation to meet demand the merit order is followed, therefore if Drax was generating at the time it is likely that the level of available renewables on the system was not sufficient to meet demand and more expensive plant was required.
- 1.5 It is therefore a fair assumption to assume that if the level of renewables remained constant and Drax was no longer operating, a plant with similar efficiency and CO2 intensity would replace it.

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Date: 30 January 2019
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- 1.6 In addition, it is important to note that renewable plants do not contribute to system inertia like conventional plants do. National Grid on occasion may be required to dispatch plant otherwise "out of merit" to maintain an adequate level of system inertia. In this case plants such as Drax may be brought on ahead of, or as a replacement to renewable generation.