

Cathedral House
Waring Street
Belfast
BT1 2DX
Northern Ireland

Tel: +44 28 9043 6654
Fax: +44 28 9043 6699



Dear Priti & Kevin

Virtutility would like to make you aware of a mistake or misapprehension in the paper “Fixed Cost of a Best New Entrant Peaking Plant & Capacity Requirement for the Calendar Year 2010” (AIP/SEM/09/072).

In paragraph 5.4 (“Other Technology Options Considered”), it is stated that:

“The AGU’s (sic) available capacity is a function of the onsite load and this cannot always be guaranteed. Therefore the AGU may not be appropriate for the BNE Peaker”

This is, in fact, not the case, since an AGU comprises numerous small-capacity, distribution-embedded diesel generators operating in **export** mode. This means that they generate at their full individual capacity irrespective of the site load. Therefore the aggregated capacity can be totally guaranteed.

Perhaps there has been some confusion with Demand Side Units (DSUs), or indeed Northern Ireland Winter Peak Running, where the diesel generators are operated in **process control** mode and only follow site load?

It could certainly be argued that the load variability in such cases might introduce some complications. But operation in this way is in no way comparable to that of an AGU.

Nevertheless, it is good to see that an AGU solution will be considered during future consultations. They certainly bring many benefits:

- Lower capital cost, and comparable operating costs for the given required capacity and operating hours.
- Incremental deployment; the individual generators can be rolled out on a piecemeal basis, rather than in a “big bang”, thus easing on-going capacity requirements.
- Can be located in many different places across the island to better match Transmission & Distribution System requirements.
- Are less likely to be subject to planning opposition.

I hope that this helps clarify thinking for the forthcoming consultation.

Philip Hart
Managing Director

29th July 2009

Cathedral House
Waring Street
Belfast
BT1 2DX
Northern Ireland

Tel: +44 28 9043 6654
Fax: +44 28 9043 6699

