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September 4th 2014

Dear Joe,

Consultation Response - Aggregated Generator Units (AGU) and Demand Side Units (DSU) Licensing Arrangements

Thank you for the opportunity to respond to this consultation. iPower would comment as follows:

1. We understand that the terminology within the license must be consistent with that in the relevant documentation within the industry. However we would suggest that the defined term "Dispatchable Demand Customer" is not best suited to the role which is in effect that of DSU Operator/Aggregator. We note the use of the defined term in the SONI Grid Code "Demand Side Unit Aggregator" at paragraph 4 of the Grid Code Introduction but that this term is not actually included in the list of Grid Code definitions. We would suggest that the latter terminology is more appropriate and intuitive than Dispatchable Demand Customer. We also understand that this would require a change to the Grid Code albeit a very minor change that is unlikely to be contentious or problematic.
2. We would suggest that the word "authorised" might be missing in the definition of Generator Aggregator Business at page 7 but should be included in order to maintain consistency with the defined term of Generation Business also at page 7.
3. We would seek clarification as to whether a license is transferrable within the conventional terms for business successors and permitted assigns.
4. In relation to Condition 12 we would suggest that careful consideration be given to the apportionment of fees for an Aggregation business (either AGU or DSU). Due to the very disparate nature of the sites comprising such a business, the overhead on a per MW basis is



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significantly higher than for the more conventional generation businesses and that in the interests of fair and equitable treatment the fees might be reduced to reflect this.

5. In relation to the DSU license Condition 17 paragraph 3 there is an inconsistency with the equivalent condition in the AGU license. We feel the logic of the text in 3(a)(i) is incorrect and should read "if the Demand Side Unit was operating so as to reduce its consumption" and that 3(a)(ii) should similarly read "if the Demand Side Unit were not operating so as not to reduce its consumption".
6. In relation to the DSU license Condition 17 paragraph 5 there is reference only to the BCoP with respect to production costs from the use of generating plant. We feel this should also make provision for production costs for demand reduction where generating plant is not used.
7. In relation to Condition 18 we would seek clarification as to the purpose of this condition and in particular if it refers to ownership of generating plant or the utilisation of generation for own (on-site) use? We would suggest that the granting of the license by the Authority is de facto the Authority's written consent which would preclude the need for this clause in any event.