

# **BSSG – Commercial Arrangements for the Obligatory Reactive Power Service from offshore Generators**



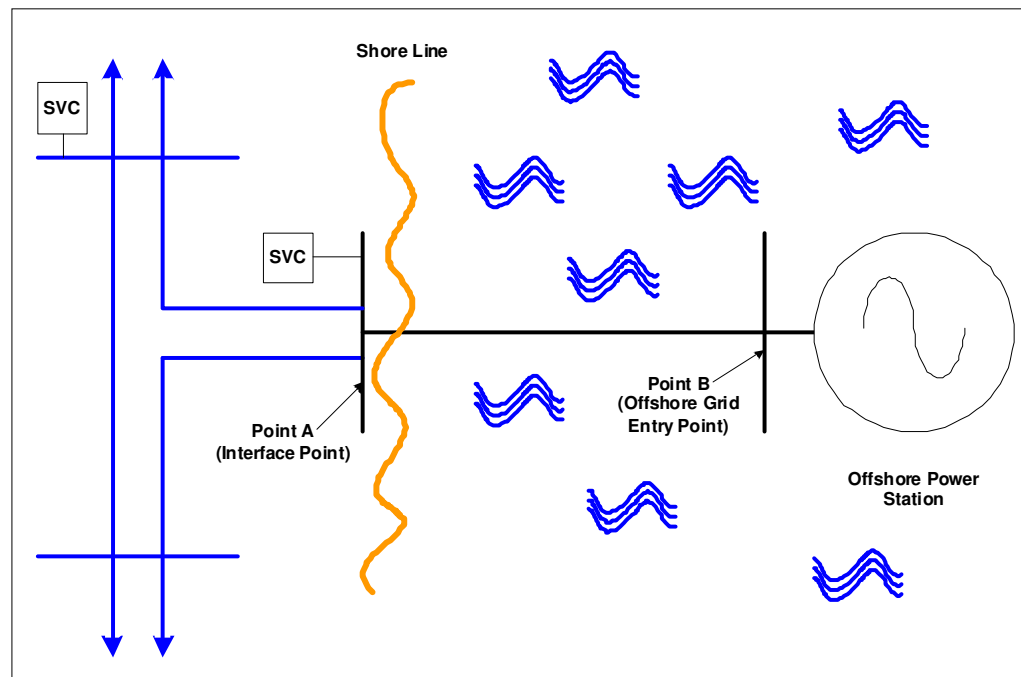
## The BSSG work and report

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- Technical requirements
- Commercial arrangements
- Onshore vs. offshore comparison
- Reactive utilisation
- Consultation
- Responses
- Conclusion

# Introduction

- At offshore 'Go-Active' the technical rules around the provision of reactive power from offshore Power Stations were divorced from those applicable onshore



## Commercial Arrangements

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- Remained largely unchanged – prevailing arrangements applicable to offshore
- Therefore National Grid signs a Mandatory Service Agreement with any offshore Generator owning and providing a reactive power service
- National Grid has no contract to cover the utilisation of the OFTO assets – OFTO covers costs via TNUoS, levied from the local generator.

## Comparing onshore vs. offshore

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- Costs
  - Capital – Principally the same
  - Fixed Operating – Principally the same
  - Variable Operating – Difference
- Disparity in any situation where generators incur the variable operating costs but do not receive payment
- What's the difference
  - Reactive Current losses – Principally, no impact
  - Incremental Maintenance – Difference

## Reactive Utilisation

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- BSSG concern regarding the impact on the reactive market from the availability and use of the OFTO assets that do not incur a direct utilisation cost.
  - This issue is considered comparable to use of onshore TO reactive assets
- BSSG believe this particular issue should be consider under the fundamental reactive review