

## **Brief explanation why wind generation constraint payments are not the same as other generation payments.**

Confronted with the scandalous cost of constraint payments to windfarms when their generation is surplus to requirement, the wind industry correctly points out that all generation technologies are constrained off from time to time and are all compensated for their losses by National Grid (NG). But that is not the whole story.

National Grid (NG) balances supply and demand for electrical power. The daytime/night-time, weekday/weekend, summer/winter etc fluctuations are largely self-regulated, which means that if there is to be no demand then the electricity is not generated.

NG does the fine tuning second by second by asking for more or less generation and either paying for it or compensating for a generator's lost sale of electricity when it is asked to shut down. Constrained off oil, coal or gas generators then give NG a rebate for the saving on fuel. Constrained off wind generators lose the sale of electricity but also lose their subsidy worth about as much again as the cost of the electricity and need to be compensated for this loss. That is only fair and reasonable. However, that makes wind about twice as expensive as other technologies and NG also has to balance its books so NG never chooses voluntarily to constrain off wind energy for routine balancing of the grid.

In practice, wind is only constrained off if NG has to deal with an excess of generation and has exhausted all cheaper options. This puts the wind generators in a very favourable negotiating position because NG cannot allow excess wind generation to destabilise the system. The outcome is always a payment to the wind generator well in excess of his losses.

This form of doing business is normally referred to as ransom or blackmail, but it is legitimate.

Don't blame the wind generators blame the politicians, blind and deaf to science and engineering, who allowed generators to connect to the Grid years before the necessary upgrades were completed with the inevitable result that we, the people supposedly served by our politicians, pay for it.

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**5<sup>th</sup> May 2016**

The report can be downloaded here:

<http://www2.nationalgrid.com/UK/Services/Electricity-connections/Industry-products/connect-and-manage/>

It is this one

**Connect and Manage Quarterly Report 1st April 2013 to 30th June 2013**