

Re: just to clarify

Kirby Owen

Wed 16/11/2016 14:14

To: Paget Fulcher <paget.fulcher@cepa.co.uk>;

odd indeed, if correct and applicable to the relevant phrase (there is only one relevant sentence, after all)

Kirby Owen

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From: Paget Fulcher
Sent: 16 November 2016 13:46:14
To: Kirby Owen
Subject: RE: just to clarify

Thanks Kirby. That's helpful.

The odd thing is that I think Iain wrote the bulk of both of the reports.

From: Kirby Owen
Sent: 16 November 2016 10:35
To: Paget Fulcher <paget.fulcher@cepa.co.uk>
Subject: Re: just to clarify

Yes, probably the biggest thing is what you cite in your middle paragraph.

Especially since the 2011 report explicitly said that tiering (or what I think of as creating a two-part tariff) wasn't necessary in the 2011 recommendations specifically because the subsidy level / kwh was less than variable cost / kwh.

So then when in the 2012 report a new subsidy level / kwh which was greater than VC / kwh was proposed, oddly that statement about whether tiering was / was not (er, it was) necessary was omitted. Did whomever write the 2012 report either skate over that or (maybe more likely?) simply not understand the logic of what was written in the 2011 report? Pity.

Paul's graph is quite interesting. I was -- as you can imagine -- quite pleased to see that it came out as expected (though I haven't double checked his underlying numbers).

This part of the whole thing is actually a lesson in tariff structures (and why electricity generator IPP tariffs are typically two-part etc).

And this whole issue is clearly already flagged by the NAI0 with that table and the accompanying paragraph in their report. So they're onto it, at least in some way. I'm sorry to have to say that the tariff structure (not at all necessarily the level) of the 2012 report is probably truly something to complain about.

Provided by CEPA on 10th May 2017

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And yes, there are a couple of other things that need to be touched on. But try to encourage Mark to "chain himself to the rock of salvation" -- i.e., Chapter 11 of the 2011 report -- whenever he can. And -- if you can -- try to absorb his stress-induced complaining / defensiveness. Hard to do, but better if we all listen and offer sympathy instead of having some of that residually inside him to be dished out to the committee. (forget trying to change his tone of voice to a "helpful" rather than "annoyed" (most polite word I can think of) mode; that's probably impossible)

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From: Paget Fulcher
Sent: 16 November 2016 10:13:58
To: Kirby Owen
Subject: RE: just to clarify

No problem Kirby. Your involvement is incredibly valuable. I think they are going to give us a really tough time next week and it is in everyone's interest that Mark is well prepared and gets the tone right.

You are right that there is quite a clear distinction between the 2011 study and the 2012 one. For me, what it all comes down to is the comparison between the tariff and fuel cost and why that was not done in 2012.

There are then other related but potentially less relevant questions such as were we asked to do it, did it matter or were the tariffs even things that we were really recommending to them. It's a shame Iain Morrow isn't here anymore.

From: Kirby Owen
Sent: 16 November 2016 03:23
To: Paget Fulcher <paget.fulcher@cepa.co.uk>
Subject: just to clarify

Hey Paget --

just to clarify at least one of my remarks from yesterday -- I know that you were not involved in the 2012 update. So when I said (pretty much in your direction) "you mean that you knew that 5.9 was greater than the cost of wood chips at the time", I really should have said "CEPA knew".

Excitement of the moment etc; sorry if I sounded accusatory; didn't mean to.

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