

## **Future Charging and Access programme - consultation on refined residual charging banding in the Targeted Charging Review**

Dear Andy,

Thank you for your update on the Future Charging and Access programme and the consultation opportunity on refined residual charging banding in the Targeted Charging Review.

Banks Renewables is an independent renewable generator with 223MW of operational onshore wind generation assets. As a renewable developer and owner /operator we remain concerned with the impact of these changes on renewable deployment in the UK. Slowing Renewable generation deployment in the UK, as indicated by your 'supplementary renewables modelling', when there is such a focus on delivering net zero carbon seems counter intuitive. Please also see our earlier response on 1 February 2019.

We are a medium sized business and find it challenging to assess and respond to the number and scope of highly technical proposed changes in the electricity industry. We request that Ofgem aims for simpler pricing structures and takes its time to consider the implications of the multiple changes presently under consideration. A model showing the impact of the TCR-SCR and Network Access proposals together on an embedded renewable generation project in Yorkshire and a transmission connected renewable generation project in Scotland would be useful. We requested this in February, please let us know if this has been done but we have missed it.

Government policy has been to encourage the deployment of low carbon, decentralised energy and successive governments actively encouraged the investor community to deploy significant capital through its subsidy regime. It is highly unrealistic for Ofgem to expect the investor community to gain an in depth technical knowledge of complex grid charging arrangements and then be able to forecast how those might evolve over time. Without some form of grandfathering right to protect the original investment cases, Ofgem should seek to limit the speed and impact of the changes. Otherwise the UK will cease to be seen as an appropriate place for further ongoing investment, causing much damage to the delivery of decarbonisation objectives at the lowest cost possible. The consumer is not being best served by the speed and depth of these rule changes that Ofgem are proposing and we ask you to reconsider.

We understand and agree with the logic of applying residual charges to demand rather than both generation and demand. We understand this aligns with how other European countries charge grid costs.

We are surprised to see that the Low Voltage bands in figure 3 are in kWh rather than kW, should capacity rather than annual energy use not be used consistently? The HV and EHV capacity bands also look quite broad with significant cost changes between the bands. Have the impacts of these figures on demand customers been fully considered?

Yours sincerely,