

Submitted via email to
FutureChargingandAccess@ofgem.gov.uk

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Ecotricity Reference Number: 1009
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Dear Patrick Cassels,

**Response to Access and Forward-looking Charges Significant Code Review - Consultation on
Minded to Positions**

Ecotricity was the world's first green energy company when we established in 1995 and we have nearly 120,000 like-minded green domestic & non-domestic customers and almost 90MW of self-developed renewable energy generation capacity with more in our development pipeline. We continue to invest in new sources of renewable generation. We promote sustainable living through all of our activities in the sectors of Energy, Transport and Food.

As a vertically integrated supplier who also manufactures small scale wind turbines we welcome the opportunity to comment on these proposals.

We have answered the individual questions on which we have comments on the following pages. If you would like to discuss any of these answers further, please get in touch directly.

Yours sincerely



Alan Chambers
Head of Regulation & Compliance

Question 3a: Do you agree with our proposals to remove the contribution to reinforcement for demand connections and reduce it for generation? Do you think there are any arguments for going further for generation under the current DUoS arrangements? Please explain why.

We support the approach to reduce the contribution to reinforcement in order to reduce upfront connection charges that can stifle low carbon projects.

In regard to completely removing the contribution to reinforcement for demand connections, we would question whether this would distort the market, remove cost indicators and may lead to missed opportunities for co-locating demand and generation projects.

Question 3c: What are your views on the effectiveness of the current arrangements in facilitating the efficient development and investment in distribution networks? How might this change under our proposals where network companies are required to fund more of this work?

It is currently very difficult to estimate reinforcement costs without a formal grid application. With the new arrangement a budget estimate would be more informative as reinforcement costs would be less significant.

Question 3e: What are your views on whether we should retain the High Cost Cap? Is there a case for reviewing its interaction with the voltage rule if customers no longer contribute to reinforcement at the voltage level above the point of connection?

We can see the merits of retaining the HCC but its interaction with the voltage rules needs consideration.

We suggest it should align with the proposed changes to the voltage rule and only apply at the same voltage of connection.

Question 3f: What are your views on the recovery of the costs associated with transmission that are triggered by a distribution connection? Does this need to be considered alongside wider charging reforms or could a change be made independently?

In principle we agree that users of the transmission network should contribute to the Use of System charge in proportion to the extent they use it. However, more information is needed to understand the extent to which distribution level users use the transmission system and what charging methodology may be applied.

We think that all charging reforms should be considered together in order to understand the full impact to our business.

Question 3g: What are your views on the likelihood of inefficient investment under our proposals (e.g., an increase in project cancellations after some investment has been made)? Are there good arguments for further considering introducing liabilities and securities to mitigate this risk?

Although we recognise there is a risk of reinforcement being built despite projects subsequently being terminated as a result of no user commitment, we agree not to introduce liabilities and securities for the reasons outlined.

We also expect any such reinforcement capacity to be utilised, given the historic constraints in the distribution system and the tools available to identify capacity (such as heat-maps)

Question 7: Do you have any other information relevant to the subject matter of this consultation that we should consider in developing our proposals?

The charging methodologies could benefit from greater clarity. Any modifications should improve the ability for developers/facility owners to estimate prospective connection and UoS charges.