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Friday 7th February 2003

Dear Bridget,

**BETTA: Grid Code, CUSC and BSC – Initial Consultation
Submission by the British Wind Energy Association**

The British Wind Energy Association (BWEA) welcomes the opportunity to contribute to the consultation and provides this submission on behalf of the UK wind energy industry.

BWEA was established in 1978 and is the representative body for companies active in the UK wind energy market. Its membership has grown rapidly over recent years and now stands at 232 companies, including 98.8% of all grid-connected wind energy now installed and every company with a lease to develop offshore (see <http://www.bwea.com/members/GenericList.asp>).

Most commentators recognise that wind is likely to represent at least half of the UK Government's '10% by 2010' target. Beyond this baseline, continued growth is equally probable. In representing the wind industry BWEA is therefore in a unique position to comment on the circumstances which affect the future growth and development of the sector. BWEA would be pleased to clarify any issues raised and offer any further information Ofgem may require.



James Glennie
Head of Offshore Renewables
Chair BWEA Grid Forum



1. General

BWEA notes that replies at this stage are requested on matters of principle and consequently has responded in this vein.

BWEA generally welcomes the introduction of a single Grid Code for all Transmission System users in Great Britain.

2. Renewables developments in Scotland

BWEA believes that Scotland is currently leading the UK in encouraging the development and connection of wind farms and therefore hopes that due weight is given to this fact when deciding the basis of the future GB Grid Code. Having said this BWEA also notes that despite its comprehensive reply to the SGC reforms last year virtually none of the industry's recommendations have been incorporated into the modified SGC submitted by the SGCRP to Ofgem in late December.

3. Number of Operators and/or Owners

According to the Consultation documents Ofgem envisages having three Transmission Owners and one System Operator. If there is going to be a single SO to ensure a 'level playing field' for all then why restrict the number of TOs to three? On a related point: some of our members wish to own and operate their own assets at transmission voltages (132kV and 275kV lines). Clarification on how this will be possible under BETTA would be appreciated.

4. Governance

BWEA welcomes the proposals to extend generator representation on the GB Grid Code Panel (Ref: Grid Code under BETTA 5.7) and the inclusion of a renewables representative. BWEA suggests that, given the changes to generation technology, a specific wind energy panel member should also be added.

The review and governance panels of CUSC should also incorporate additional members that are more representative of the changing type of system users, specifically wind energy.

5. Ancillary services

Market based alternatives to the mandatory requirements on all generators to provide all ancillary services should be considered as soon as possible in order to avoid those generators having to invest in inappropriate service capability. BWEA believes that encouragement of a GB (or UK) wide market for these ancillary services would be a beneficial step.

6. Transmission/Distribution voltage split

(Ref: The Grid Code under BETTA 5.3.8 & The CUSC under BETTA 5.3.5)

BWEA believes that the significance of the current transmission/distribution classification discrepancy between E&W and Scotland should not be underestimated. BWEA notes that it will be impossible to have a 'level playing field' for all wind farms throughout the UK without a single GB wide definition of transmission voltage.

BWEA considers that it is vital that OFGEM and DTI consider having a single GB voltage for transmission by taking the 132kV assets into the Distribution systems. Otherwise generators connecting to 132kV in Scotland under the new arrangements must be exempted as signatories of the CUSC with all attendant costs and implications. The impacts of the CUSC and TNUoS on intermittent renewable energy sources will be severe, especially as these generators could be less than 10MW in rated output.

Without change there will continue to be difficulties for Scottish generators of <100MW who are exempted from a Generation Licence and who want to own and use 132kV assets. At present there is no Transmission Licence exemption for such projects.

Taking 132kV assets into the Distribution Licence is a one off opportunity to take a major step forward in Active Distribution Networks and set a high standard for other DNOs to benchmark.

If 132kV is taken into Distribution it must be accompanied by a change in the connection charging so that generators do not face unreasonable deep reinforcement charges for 132kV connections.

7. Innovation and technology development

Wind technology is evolving rapidly. BWEA therefore believes that the requirements on generators to provide information should recognise this fact as much as possible. BWEA would also like to emphasize that it is extremely hard for wind farm developers to meet demanding technical requirements that are imposed at the '11th hour'. Accordingly we believe that any process by which significant changes to any of the Codes are made must incorporate suitable and transparent lead times.

8. Potential impact on RE targets

BWEA considers that there may be significant potential for conflict between the licence conditions of the new GB System Operator and the Government's renewable energy targets. This matter will need to be carefully managed and BWEA feels that a review of the licence conditions may be appropriate.

9. Connection agreements, offers, construction and charges

BWEA is concerned for new generators connecting in Scotland who will have to navigate the complexity of split responsibilities between the GBSO and the TO. BWEA notes the intention of OFGEM to consult further on smaller generators and looks forward to the opportunity to comment (Ref: The CUSC under BETTA 5.34).

10. Consultation workloads and responses

BWEA is concerned at the significant number of consultations currently underway and the substantial drain that these represent on the limited resources of the nascent wind industry. Many companies in membership do not currently have persons or departments, dedicated to monitoring regulatory changes. This means that there is a danger that views from the wind sector may be under-represented relative to those of other more mature industries.