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Dear Nienke Hendriks,

## **Distribution Price Control Review – October 2003 Update**

I am responding to Ofgem's update on the distribution price review on behalf of the British Hydropower Association (BHA). The BHA is the trade association for the UK hydropower industry. With over 100 members, the Association represents a wide range of interests: consulting engineers, manufacturers, designers, investment and operations and specialist service providers (e.g. legal firms). The BHA represents a wide range of generators from the small to the largest UK generator of renewable electricity.

The BHA welcomes the opportunity to comment on the update document. In our response to the consultation document made in August we pointed out that the interests of our members relate specifically to support for distributed generation. We said that we would like to see a system in place that provided an incentive to Distribution Network Operators to connect distributed generators. The BHA would like to see greater incentives put in place to encourage generators, communities and individuals to install distributed generation. We noted that in discussion on incentives, the paper referred to a revenue driver in terms of £/MW whereas most small and mini hydropower projects would be substantially below 1MW and would be in hundreds or even tens of kW and we are concerned that any system of distribution price control is simple to administer so that it does not act as a disincentive to small distributed generation units. We note that the update acknowledged concerns on these two issues and we hope that they will be addressed.

Yours sincerely,

Adrian Abbott

Adrian Abbott  
Business Strategy Manager