

Community Windpower Limited

D Halldearn Esq
Director
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3 GE

15 January 2004

Dear Sir

Re: Smaller Generator Consultation

We are a small wind farm developer working on Community based projects in Scotland. Typically we seek to develop windfarms of around 20MW, which will be owned by local people and ourselves. In addition we propose to sell some of the electricity back into the Community at subsidised rates in an attempt to support those who are unable to invest in the scheme directly.

We have secured planning for our first scheme at Wardlaw Wood, Dalry, North Ayrshire and propose to assist the local schools by way of offering funding support for providing solar heating systems, computers linked to our wind farm, educational support from our graduate support officer and access to the wind farm. Our intention is for the local school children to become well versed in the renewables industry in general and have a greater knowledge of the environment and causing of global warming.

These three legs of Community Support come at a substantial cost to the scheme and with the downward movement in green electricity prices [over the next 10 years] reduce the viability of the project. It is therefore with great concern that I gather the proposed new system charges under BETTA will levy very significant extra costs to our Community Schemes, which will make them totally unviable. I am advised that based on a 20MW scheme in Southern Scotland charges will exceed £150,000 per annum. These costs will represent over 8% of our projected turnover for the scheme and consequently will have a material impact on interest cover and profitability.

I ask that you reconsider the basis of these charges as there simply isn't sufficient income available from the Utilities to pay for these costs. In the alternative, Community Schemes should be exempt as our intention is to offer local supply of electricity and the Community will be severely disadvantaged if these charges are levied.

Please be assured that developing small-scale wind farms is extremely difficult not least the financing of such schemes. If the viability is reduced further they will not become a reality and in my view that have a part to play in meeting the RO and rejuvenating Communities in disadvantaged areas.

Yours faithfully

Rod Wood
Director
Community Windpower Limited