



WEST COAST
ENERGY LTD

Mr David Halldearn
Director, Scotland and Europe
Office of Gas and Electricity Markets (Ofgem)
9 Millbank
London
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12th January 2004

Dear Mr. Halldearn

West Coast Energy Ltd welcomes the opportunity to comment on the recently published 'Small Generator Issues under BETTA' Consultation Document 145/03. West Coast Energy Ltd, although a Small and Medium Enterprise (SME), is a major developer of wind energy projects throughout Great Britain. It has to date obtained consents for 230 MW of wind energy capacity with a further 750 MW at the application stage. It is currently in the process of constructing the largest, to date, consented, onshore windfarm at Cefn Croes in Mid-Wales. In addition it is currently developing a number of major projects in Scotland with connections planned at 33, 132 and 275 kV.

The Consultation Paper raises a number of issues which I will address in turn:-

- 1) As national wind project developers we would welcome a uniform treatment of connections throughout the UK, including the equivalence of treatment of 132kV connections between Scotland and England & Wales. However it is clear from the Consultation Paper that the decision has already been made that under BETTA, 132kV will be treated as a Transmission Voltage in Scotland compared with treatment as a Distribution Voltage in England & Wales. Therefore the emphasis has to be on minimising the impact of this differential treatment.
- 2) The benefits claimed for the impact of BETTA on small generators are basically non-tangible, ie access to larger markets, access to a transmission system independent of generation and supply interests. In fact the only tangible benefit is access to 'embedded benefits' which are already available in the Scottish and Southern Energy region and will not in fact be available for any 132kV connections in Scotland under BETTA. The non-tangible benefits are of limited value to a wind project developer.
- 3) We would welcome the intention to remove the imposition of transmission charges from small scale (less than 100MW) connected generation in

Scotland , especially since it is based on the minimum summer demand load on the relevant GSP, which is difficult for a generator to measure or influence.

- 4) While welcoming the removal of the residual charge, as outlined in NGC's charging methodology for England & Wales, the £2 per kW mentioned is based on the England & Wales charges and it is unclear from the consultation whether and how this would be modified when the same methodology was applied to Great Britain as a whole. For example the recent OXERA 'Report on Transmission Charging and Scottish Based Generators' suggests that Generation TNUOS charges in Scotland could rise to as much as £21 per KW if the National Grid charging methodology were to be applied in Scotland under BETTA. This far outweighs any £2/kW rebate proposed by the consultation.
- 5) We strongly disagree with the proposed requirement for all transmission connected generation , regardless of size, to sign up to the CUSC. This is a very large onerous document, over 650 pages long, which compares with the much simpler arrangements for distribution connected generators North and South of the Border.

If you wish to discuss any aspect of the above please do not hesitate to contact me.

Yours sincerely



Gerry Jewson
Managing Director