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Dear Mr Törnquist,

Transmission Investment for Renewable Generation

The Ofgem consultation on Transmission Investment for Renewable Generation, Initial Proposals, published in August 2004, invited views on a number of considerations. We would like to respond specifically on the issue of the likely level and pattern of renewable generation.

Unfortunately, due to the different ways in which TSOs construct their contracts to ensure equity between applicants, and the different ways in which developers interpret and argue these agreements, I do not believe that network applications are a true reflection of activity levels. Planning applications are probably a more representative reflection of the level, pattern, and commitment that developers have to renewable generation since producing an application is an extremely costly process.

I can inform you that we are about to submit a planning application imminently for Kyle wind farm, near Coylton, Ayrshire, which at 300MW appears to affect the Kendoon proposal. Also we are about to submit, with British Energy, an application for a 700 MW scheme on the island of Lewis. I believe that this serious applications will affect the analysis, in particular for the Western Isles link, which should be moved from the Alternative Investment category.

Developers in this area are already investing heavily in the studying the wind farm sites and preparing planning applications, to ask them to also to cover the costs of the grid infrastructure is unreasonable. The sites are being developed in response to Government requests and for the long-term benefit of consumers. The grid system in the UK was built in another era, when generation centres were in different places. Now the new renewable generation is being located where the resource exists not where the grid is. It is in all our benefit to use Renewables, the costs should be more evenly spread.

Yours sincerely,

William Grainger
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