

RE FW Transmission investment for renewable generation.txt  
Subject: RE: FW: Transmission investment for renewable generation

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Email to David Halldearn, Colin Sausman, Ofgem, Richard Ford, BWEA

Transmission investment for renewable generation

On 12 August, Ofgem published initial proposals for Transmission Investment for Renewable Generation. This divided network investments into three categories:

- Baseline investment
- Incremental investment
- Additional investment

The first two of these categories are welcome, since they clearly enable the Licensees to go ahead with certain categories of investment, though it would be helpful to see more detail of the controls over the means by which the investment is assessed, and how it is costed. There remains a need to ensure that the investments allowed under these categories are made efficiently, effectively, and at reasonable cost.

I am much more concerned about the third category. Much of the work here is required in order to enable investment in many forms of renewable generation. In many cases (Kendoon is just one such example), there are very many schemes waiting in the wings that could be added to those that have already signed up, but who will not sign on the basis of a constrained connection without some form of assurance that the constraint will be removed within a reasonable timescale.

It is not clear how you intend that the Additional Investment category should work. However, I would ask you to consider means by which Licensees could take into account the number of connection charge quotations that have been applied for and which have been issued, as a means of assessing the likely level of demand for a given investment. I recognise that this is not a precise science, as some schemes will not proceed, but given that developers have to pay to obtain a connection charge quotation, this should demonstrate some sense of purpose in their proposals. Perhaps demand should be assessed on the basis of 75% of the quotations applied for and issued, solely for the purpose of assessing income from the investment.

This proposal is put forward in an effort to find a way round the investment log jam and thereby allow investment in both transmission infrastructure and renewable generation development to proceed.

Kind regards

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