



**Fred. Olsen Renewables Limited**  
**Kings Scholars House**  
**230 Vauxhall Bridge Road**  
**London SW1V 1AU**

**Tel: 020 7931 0975**

**Fax: 020 7931 7449**

**VAT Reg No. 792 2100 49**

David Haldearn  
Director, Scotland and Europe Office of Gas and Electricity Markets(Ofgem)  
9 Millbank  
London  
SW1P 3GE

21<sup>st</sup> January 2005

[BETTA.Consultationresponse@ofgem.gov.uk](mailto:BETTA.Consultationresponse@ofgem.gov.uk)

Dear David,

**BETTA “minded to” statement on the interim discount for small transmission connected generators and impact assessment**

Fred Olsen Renewables Ltd (FORL) is currently one of the largest wind power generating companies in Scotland. Within Scotland we have a range of projects at all stages of development with 75MW currently operational, 95MW under construction, and several hundred MW in advanced stages of planning. With projects in possession of current grid offers, and other projects making approaches for grid offers pre and post BETTA implementation, in both the transmission and distribution networks, FORL are ideally placed to comment on grid connection and transmission charging consultations and the effects these proposals

**Comment on the proposed level of discount**

FORL note that there is no formula for calculating the level which the subsidy should be set at and the 25% of the residual charge has been chosen using a “level of judgement”. Clearly there exists the potential for error in this judgement. In our opinion the 25% is lower than would be expected and we would like to see a more rational formula to justify the discount.

**Anomaly in how distribution and transmission connected generators are charged**

Having reviewed the above document FORL have noticed a potential anomaly in the way transmission connected generators at 132kV and potentially distribution connected generators are treated.

Under the current EELPS consultation, if accepted, any generator greater than 30MW in the Scottish Power transmission area and any generator greater than 5MW in the Scottish Hydro transmission area will be contracted to NGC through a BELLA or BEGA contract. BELLA contracts give no rights of access to the transmission system. BEGA contracts give access rights to the transmission system in return for TNUoS payment. We understand that distribution connected generation below 100MW and licence exempt would be liable to a TNUoS charge, which currently happens to be £0 per kWh.

Under the current proposals the EELPS would not be eligible for any discount if their TNUoS was to increase in the future as they are connected below 132 kV. We believe the discount should be available to all generators connected at 132kV and below who pay positive TNUoS charges.

Yours Sincerely

N.A. Emery