



# COMHAIRLE NAN EILEAN SIAR

Sandwick Road, Stornoway, HS1 2BW

Rathad Shanndabhaig, Steornabagh, HS1 2BW

Mr. Mark Cox,  
Distribution Policy,  
Office of Gas & Electricity Markets,  
9 Millbank,  
LONDON.  
SW1P 3GE.

telephone : 01851 703773 Ext 270  
e-mail : dmckim@cne-siar.gov.uk  
fax : 01851 706022  
writer : Derek McKim  
our reference : DMKL2501  
your reference :  
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Dear Mr. Cox,

## **STRUCTURE OF ELECTRICITY DISTRIBUTION CHARGES CONSULTATION ON THE LONGER TERM CHARGING FRAMEWORK: MAY 2005**

Thank you for the opportunity to respond to the above consultation.

The primary concern of the Comhairle with respect to the consultation is to seek an assurance that whatever framework is eventually adopted for long term distribution will not act against the interests of the development of electricity from renewable energy in the Western Isles and, indeed, the other Scottish Islands.

I would draw your attention in particular to Article 7(6) of the European Renewable Directive 2001/77/EC which states –

Members States shall ensure that the charging of transmission and distribution fees does not discriminate against electricity from renewable energy sources including, in particular, electricity from renewable energy sources produced in peripheral regions, such as Island regions and regions of low population density.

As you will be aware two applications for windfarm developments in Lewis under S36 of the Electricity Act have been lodged with the Scottish Executive. Together these two applications are for approximately 1.1 GW and a further application for a 250 MW windfarm is expected during 2005. In addition there is considerable interest in smaller community owned and/or led renewable projects.

I would, therefore, suggest that the charging principles set out in paragraph 3.13 of the consultation should reflect the need to take account of such future network needs as may be occasioned by the development of renewables in the Western Isles.

Moreover, I would point out that the Western Isles has arguably the greatest concentration of suitable areas to harvest renewable energy from all sources in and around Europe. There is long term potential to generate a substantial proportion of the UK's energy needs from renewables sources in our area – from wind, wave, tide and solar. If the UK is to reach its targets for renewables it is imperative that the planning of the grid and the charges for using it account for these facts.

It should also be noted that whilst the Comhairle acknowledges the imperative for cost reflective charging, the Comhairle is not in favour of penalising areas such as the Western Isles via excessive locational based charging. The current position is that generation using the transmission system in Scotland is already heavily penalised through the proposed locational Transmission Use of System charges. The introduction of further locational charges would act as a disincentive to the development of renewables in the Western Isles and would seem to be contrary to the Government's energy objectives.

I look forward to hearing from you.

Yours sincerely,

**Derek McKim**  
**Head of Strategy (External)**