

Ofgem
9 Millbank
London
SW1P 3GE

Attention: Ronke Adenuga

29 November 2006

Dear Ronke

Open Letter Consultation on the Innovation Funding Initiative and Registered Power Zone Schemes for DNOs

I am writing in response to Ofgem's open letter on behalf of Scottish Renewables and in strong support for ScottishPower's response. Scottish Renewables is the Scottish renewable industry's trade association and represents over 200 companies and organisations with an interest in renewable energy.

We strongly support both the RPZ and the IFI initiatives as means of increasing R&D in the network sector which then can have a direct beneficial effect on the uptake of new generation. This is especially true of our members involved in emerging technologies like wave and tidal and is central to delivery of the Scottish Executive's objective of promoting a diverse range of renewable electricity technologies and capturing the economic benefit that goes with them.

As ScottishPower notes in its response, the Active Management Project has provided a major boost to developing early development of marine power on Orkney and this clear success shows what else could be achieved quickly if it is rolled out elsewhere early and could provide a big boost to other island groups with significant renewable electricity potential.

The marine sector will also benefit greatly in Scotland as new projects will enable the installation and monitoring the first projects of new devices.

We also support ScottishPower's call for sharing information earlier in the process to raise awareness amongst industry and the spreading of successful ideas. We also urge that the 2010 deadline for connections is extended as it is becoming restrictive.

On IFI's we also support, like ScottishPower, the increase in allowance of 0.5%, so



that variable output plant can benefit from network control and storage technology thus improving higher levels of network utilisation.

I hope this consultation response proves useful to you and many thanks for the opportunity to respond.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jason Ormiston', written in a cursive style.

Jason Ormiston
Acting Chief Executive & Chief Technical Officer
Scottish Renewables