

Sonia Brown
Wholesale Markets
OFGEM
9 Millbank
London
SW1P 3GE

22 January 2007

Dear Ms Brown

REVIEW OF STANDARD LICENCE CONDITIONS 14 AND 15 OF THE ELECTRICITY GENERATION LICENCE

Please find attached the RSPB's response to the above consultation. The RSPB is very pleased that OFGEM decided to withhold any further decision-making on the enabling of Standard Licence Conditions (SLCs) 14 & 15 until this review has been completed. As a matter of process, however, the RSPB was surprised that parties that had responded to the recent CRE Energy Ltd electricity licence consultation were not informed directly by OFGEM that this wider consultation was taking place.

The RSPB

The RSPB is a registered charity incorporated by Royal Charter and is Europe's largest voluntary wildlife conservation organisation, with a national membership of over one million people. The RSPB manages 200 nature reserves in the UK covering 139,127 hectares. As a major land-owner and manager, the RSPB is interested in any discussions relating to the provision of compulsory purchase powers.

Consultation Response

Q1: Are there any options not identified and discussed in the Consultation?

RSPB believes that the consultation deals with the three most sensible options regarding Standard Licence Conditions 14 & 15.

Q2: Do you agree with our preliminary view that SLCs 14 and 15 should be given effect in all electricity generation licences?

As expressed in our correspondence to OFGEM of 11 March 2006¹, in relation to the application by CRE Energy for the 'turning on' of SLCs 14 & 15 in their electricity licence; the RSPB has concerns over the ability of private companies to apply for the compulsory purchase of land, or the granting of wayleaves over land, for their private benefit. This is particularly the case for developments that may have valid alternative locations (such as wind turbines), and/or where the land in question is of nature conservation value.

However, the RSPB accepts OFGEM's arguments in the consultation document that the present system of only 'turning on' these SLC's when asked is potentially bureaucratic. The RSPB also accepts that to grant these SLCs to one energy company and not to another, when the application to grant the turning on of the SLCs is not in relation to specific projects but a general ability of 'leave to apply', would be hard to justify. Likewise, to 'turn off' all SLCs 14 and 15 in electricity licences would not change the present situation as companies could immediately apply for them to be switched on again. The RSPB accept that in certain, limited circumstances, energy companies should have the right to apply to compulsory purchase land when to do so would be in the national interest.

The RSPB therefore accepts that the best option for OFGEM is to 'turn on' SLCs 14 & 15 in all electricity licences.

In light of our remaining concerns regarding the potential use of SLCs 14 & 15, RSPB will encourage the Department for Trade and Industry to issue specific guidelines to the energy industry on what circumstances they would consider granting an application for a compulsory purchase order appropriate.

Yours sincerely

Daniel Pullan

Casework Officer

¹ http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/14950_0306_RSPB_response.pdf