

# ENERGY TECHNICAL & RENEWABLE SERVICES LTD

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Dear David and Phil

## ***Transmission Access Review – Interim Report to the Secretary of State***

Thank you for the opportunity to respond to this Interim Report. This response is made on behalf of Energy Technical & Renewable Services Ltd, a specialist consultancy providing services to companies including developers in the on-shore and off-shore power generation sector.

We note that the report includes the following conclusion on access reform (per paragraph 5.6):

*In the short to medium term, renewable projects need to have more confidence that, if they achieve planning consent, they will have a grid connection offer with appropriate defined and enforceable transmission rights that are reasonably consistent with their likely development programme. One way to achieve this is by putting stronger commercial incentives on the transmission companies to deliver on time firm connection dates to developers who have made appropriate financial commitment.*

Whilst we can see the logic behind this statement we would suggest that Ofgem and BERR should not underestimate the challenge imposed by a radical switch from the current “first-come first-served” priority by application date. In order to justify the investment needed in completing environmental studies and making planning applications, developers need assurance that they can ultimately connect within a reasonable time period. This is why grid applications are made early in the process. Only if there was an unequivocal commitment to allow connection of new projects once permitted, could developers take the risk of proceeding without the connection “in the bag”.

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Current proposals to increase the financial commitments needed to obtain and hold a connection agreement do not in themselves fundamentally change this behaviour, rather it raises the barrier to new developments. Only if the grid connection application and reservation process became more expensive than the permitting process would the approach be reversed. However, this is hardly an environment which encourages new development.

It thus seems to us that the only viable way forward is some kind of “connect and manage” system. Whilst this has been portrayed as “connect and socialise”, in fact what is needed is earlier action by the transmission licensees to make investments against anticipated projects that will be required to meet the policy commitments. An arrangement that guarantees grid access once the necessary development permits are in place would imply that National Grid in particular would be taking a much more strategic approach to capital investment in reinforcement, ie ahead of third party applications. This goes for offshore projects as much as onshore.

Delivering the renewable targets implied in recent UK and European policy, and at the same time maintaining security of supply through new thermal or nuclear plant, requires a wholly different approach to that which has been adopted in the past. Giving National Grid the responsibility for making and managing this form of investment would demonstrate the Government’s commitment to the policy aspirations it espouses.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anthony Cotton', with a stylized flourish at the end.

A R Cotton  
Director