

David Hunt
Ofgem
9 Millbank
London, SW1P 3GE

Phil Hicken,
BERR
1 Victoria Street
London, SW1H 0ET

1 Aztec Row, Berners Rd
London, N1 OPW
T 020 7689 1960
F 020 7689 1969

info@bwea.com
www.bwea.com

3rd March 2008

Dear David & Phil,

BWEA Response to TAR Interim Report

Introduction

BWEA was established in 1978 and is the representative body for companies active in the UK wind energy market. Its membership has grown rapidly over recent years and now stands at over 370 companies, representing the UK wind, wave and tidal stream industries.

The BWEA welcomes the Interim Report of the Transmission Access Review published on 31st January 2008. It is concerned however that various of the proposals suggested may take an extended period of time to be considered and implemented, resulting in a failure of the UK to meet the new targets now required by Government. Greater focus must lie on the time lines for implementation of proposals and due recognition should be given to proposals at an advanced stage of consideration within the current framework for regulatory change. The 2008 European Directive envisages a mandatory prioritisation of grid access for renewables; urgent investment in grid infrastructure is required now if the new aggressive targets are to be achieved.

Connect and Manage has been discussed within the industry over an extended period. It has been highlighted by the Sustainable Development Commission in its report on Ofgem last year as the most appropriate way forward. It has the support of leading industry bodies including BWEA. It represents a positive way forward with the merit of more rapid adoption than other proposals. The financial implications of Connect & Manage are under evaluation by Ofgem currently through an Impact Assessment as part of their review of CAP148; a further similar independent study has been commissioned by BWEA from leading academics and will be available in the coming weeks. We are therefore particularly disappointed to see little focus on this subject within the Interim Report and would urge it to be considered more fully.

The BWEA wishes to also highlight an issue that is not directly included in the TAR process but in the BWEA's view should be included (or resolved within the same planned timescale). If Transmission Access issues are not resolved then projects may find that they are incentivised to reduce their size and apply for a Distribution Connection in place of a Transmission Connection. Any such loss of MWs will clearly reduce the UK's ability to meet its renewables target.

The Interim Report appears to neglect the potential impact of distributed generation on the distribution network and in turn the effect of that distributed generation on the transmission system. A substantial increase in the amount of distributed generation is anticipated over the next few years and already a number of Grid Supply Points are becoming net exporters at some times during the year. Many of the issues involved in the impact of distributed generation on the transmission system were explored by the OFGEM sponsored Transmission Arrangements Development Group last year and it is important that the work of this group along with the other considerable body of work produced by various Industry participants and working groups in recent years is taken into account by the Transmission Access Review.

BWEA supports the development of a solution to the issue that distributed generation which flows onto the Transmission System (e.g. where a Demand GSP exports at certain times) could be seen as using the Transmission System and therefore may be justified in making a contribution to the cost of the Transmission System. BWEA also believes though that it is important that existing investments do not see a sudden change in costs and therefore any change in terms of charging should be brought in gradually and any charges levied should be cost reflective so they should take into account 1) the volume of flows onto the Transmission System 2) the level of GDUoS charges paid by the generator and 3) the support provided to the local network by the embedded generator.

BWEA does not support the levying of the same TNUoS charge per MW on distributed generators as on Transmission Connected generators (Gross Charging).

The BWEA are happy to discuss the content of this response further if it is felt appropriate.

Yours sincerely

Graeme Cooper

Head of Grid, Health & Safety and Technical Affairs

BWEA, 1 Aztec Row, Berners Road, London N1 0PW

tel. 020 7689 1960 **ddi.** 020 7689 1938 **mob.** 07817 416 143

web. www.bwea.com

Sign up to support wind energy at www.embracewind.com