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Rachel Fletcher  
Director, Distribution  
Ofgem  
9 Millbank  
London  
SW1P 3GE

11<sup>th</sup> September 2009

Dear Rachel

**ELECTRICITY DISTRIBUTION PRICE CONTROL REVIEW – INITIAL PROPOSALS**

**Preamble**

West Coast Energy Ltd welcomes the opportunity to comment on Electricity Price Control Review, (DPCR5), Initial Proposals. West Coast Energy have acted as developers and consultants to a number of major windfarm projects throughout Great Britain and have obtained consent for over 500MW of projects with a further 1000MW either going through planning or with a planning application being prepared. We have also been active participants in various electricity industry fora including the Transmission Arrangements for Distributed Generation (TADG), Transmission Access Standing Group (TASG) and in the Active Networks project team of the Distribution Working Group (DWG).

As renewable energy developers our comments are largely restricted to distributed generation particularly wind related projects.

**General Comments**

We welcome the objective in DPCR5 for the DNOs to prepare for the role they will have to play as GB moves to a low carbon economy and obviously one key part of that role is the facilitation and economic connection of distributed generation onto the DNO networks. It is important that the DNOs and renewable energy project developers work together in partnership, helping and assisting each other, to deliver a significant increase in the amount of distributed generation connected.

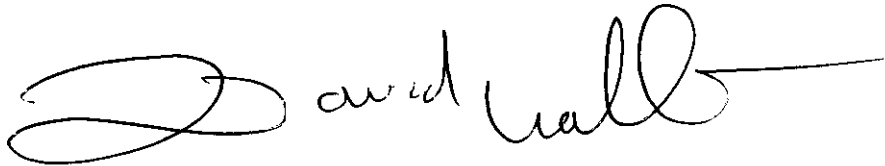
### **Specific Issues**

- 1) In terms of information for customers, West Coast Energy has made extensive use of DNO Long Term Development Statements (LTDS) but would welcome the provision, by DNOs of more initial broad-brush information. In many ways this should be considered as part of a wider review of the generation connection application process. Having had experience of connection offer applications to most of the DNOs we are concerned by a lack of consistency. It is evident that each DNO offers different things; feasibility study and/or connection offer, for different charges with for example different offer acceptance times. We realise that at the moment connection offers could be nominally 'free' but we do feel it is now time the connection offer process; what is on offer, for how much and for how long; were standardised.
- 2) We are particularly concerned about the proposals for use of system charging to pre-2005 connected Distributed Generation. Pre-2005 connected Distributed Generation was on the basis of a deep charging policy with no generator use of system charges. We do not feel it appropriate for these projects to be liable for Generator Use of System Charges post 2010 and that their connection agreements should be grandfathered. These agreements were signed in good faith and should be honoured.
- 3) It is clear that for a move to a low carbon economy the DNOs have to undertake a rapid evolution from a risk averse business with a largely passive network to an innovative, open business with large sections of their networks being active with the widespread use of intelligence to monitor and control these active networks. With this in mind we welcome the new Low Carbon Networks Fund to enable DNOs to test out new technologies and operating practices prior to their widespread adoption by the host and other DNOs. We feel it important the DNOs and distributed generation developers work together to maximise the benefits from the fund and all the projects.
- 4) The process of privatisation has led to the separation of many aspects of the electricity industry supply chain for example; distribution from supply and generation and to a large extent distribution from customers. We believe this has to change and a recognition is required that greater communication and unity of purposes between the parties is required, possibly some degree of reintegration, as for example the use of electricity by customers can affect the investment in and operation of the distribution network. This will be particularly true if as envisaged there is a widespread introduction of electric vehicles. In general greater emphasis is required by the electricity industry on demand side management, of which renewable generation could be a part, by for example, electricity load shifting, peak lopping and energy efficiency. Smart metering will also have a vital role to play.

I hope you find my comments useful but if you wish to discuss them further please do not hesitate to contact me.

Kind regards

Yours sincerely

A handwritten signature in black ink that reads "David Walker". The signature is written in a cursive style with a large, stylized initial "D" and a long horizontal line extending from the end of the name.

(Dr) David Walker  
Head of Grid & Regulatory Affairs  
West Coast Energy Ltd