

By Email: anthony.mungall@ofgem.gov.uk

DONG Energy Power (UK) Ltd.
33 Grosvenor Place
Belgravia
London SW1X 7HY
United Kingdom

Tel +44 (0) 207 811 5200
Fax +44 (0) 207 811 5298

www.dongenergy.com
Company no. 49 84 787

Dear Anthony,

23 November 2010

RE: Consultation on the discount for small transmission connected generators from 31 March 2011

Our ref.
101129_SmallGeneratorDiscount

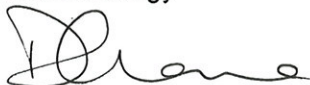
Thank you for the opportunity to comment on your consultation document issued on the 18 October 2010. DONG Energy is one of the leading offshore wind farm developers in the UK with 308MW of operational wind farms, a further 653MW under construction and approximately 1.5GW under development. We currently have three wind farms, with a total capacity of 263 MW, affected by this consultation.

dlane@dongenergy.dk
Tel 020 7851 5261

In the past it has been accepted that small, embedded generation has an inherent value to local networks and this value has in part been recognised through the embedded benefits received. However, as a result of BETTA and later classification of 132kV as transmission for offshore generation, these benefits are being gradually eroded. This disadvantages small offshore generators, and as the small generator discount goes some way towards compensating for this, its removal is not desirable until an enduring, equitable solution has been found.

Therefore, at this stage we support the extension of the small generator discount in its current form, until a satisfactory enduring solution has been found. We believe this can be best achieved through Project TransmiT, to which Call for Evidence we have responded separately.

Yours sincerely
DONG Energy



Danielle Lane
Regulatory Affairs Manager