

Hannah Nixon
Partner, Smarter Grids and Governance
Ofgem
9 Milbank
London
SW1P 3GE

Contact	Bill Reed
Phone	Phone 01793 893835
Email	bill.reed@rwe.com

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Email: anthony.mungall@ofgem.gov.uk

Consultation on the issue of timely connection to the electricity transmission network

Dear Hannah,

Thank you for the opportunity to comment on the Consultation on the issue of timely connection to the electricity transmission network. This response is provided on behalf of the RWE group of companies, including RWE Npower plc, RWE Supply and Trading GmbH and RWE Npower Renewables Limited, a fully owned subsidiary of RWE Innogy GmbH.

The issue of “timely connection to the GB transmission network has arisen as a consequence of the implementation of the enduring “connect and manage” regime by the Department of Energy and Climate Change (DECC) in August 2010. The new regime envisaged that new connections will be provided subject to the completion of enabling works.

We do not believe that there is a need to introduce any specific schemes to encourage timely connection to the transmission network. However, we do believe that the grid connection process could be improved to facilitate a more transparent and open process. We would encourage any specific incentives to facilitate this process.

Under the “connect and manage” regime, the transmission owners must provide connection offers that comply with their licence obligations. In addition, we would expect that in applying for new connection, developers would take into account the construction of transmission as well as the power station in requesting a feasible connection date. We believe that it is for the transmission owner to determine the economic and efficient dates for connection taking into account all the available information on other competing connection dates and offers in accordance with the licence.

RWE Supply & Trading GmbH
Swindon Branch
Windmill Hill Business Park
Whitehill Way
Swindon SN5 6PB
United Kingdom
T +44(0)1793/87 77 77
F +44(0)1793/89 25 25
I www.rwe.com
Registered No. BR 7373
VAT Registration No.
GB 524 921354
Advisory Board:
Dr Ulrich Jobs
Board of Directors:
Stefan Judisch (CEO)
Dr Bernhard Günther
Dr Peter Kreuzberg
Richard Lewis
Alan Robinson
Head Office:
Essen, Germany
Registered at:
Local District Court,

We note that if a party seeking connection is unhappy with the offer received, including the dates, then there is recourse to Ofgem to determine an area of dispute. We would expect parties to follow this route in resolving any disputes, and we do not believe that there is a case for further incentives in this area.

We would be concerned if the implementation of an incentive regime resulted in the discrimination between connection offers as a consequence of the incentives available. It is our experience that the current arrangements are suitably robust in providing connection dates in accordance with user requests and that there is no case for further development of the regulatory regime in this area.

In terms of the proposed options we do not support the development of commercial arrangements to provide incentives for connection dates. Each individual connection offer should be determined on its own merits taking into account the local conditions that impact on the connection arrangements. Consequently we do not believe that “enabling works” can be delivered with fixed delivery dates.

We do not believe that there is a case for specific regulatory treatment associated with standard connection offers. In our experience the connection arrangements are site specific reflecting the nature of the power station and transmission assets, the location of the power station and the prevailing technical conditions. We believe that the current licence provisions are suitably robust in this area and that there is no requirement for additional regulatory intervention.

In terms of wider issues, we do support development of the connection arrangements to take into account key milestones for development with associated financial liabilities, and believe that this is an area that could be considered under Project Transmit. In this context there may be a case for risk sharing between users, the transmission owners and customers.

If you wish to discuss our response, please do not hesitate to contact me.

Yours sincerely

By email

Bill Reed
Market Development Manager
RWE Supply & Trading GmbH