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Dear Anthony,

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

Thank you for the opportunity to respond to Ofgem's consultation on the issue of timely connection to the electricity transmission network. In the wider context of issues being considered in TransmiT we do not believe this is an area of huge concern, nor do we believe that the introduction of incentives in this area would be beneficial; our reasoning for this is set out below.

In our experience of recent generation projects, the generator tends not to be ready to connect to the transmission system prior to the agreed connection date, as there are a number of hurdles which both the generator and transmission owner work together to coordinate, including planning and consents, to be completed prior to connection. Early delivery of the enabling works would therefore be of little benefit to the developer, however would potentially result in the TNUoS charges for the constructed assets being smeared across existing customers until the agreed connection date, at which point the developer would pick up such charges.

In terms of delivery of connections in line with the agreed connection date, whilst there are some exceptions, we do not generally have an issue with delays in the connection of generation due to delays in the completion of enabling works. Further, under Standard Conditions C26 and D16 of the electricity transmission licence, transmission owners are already obliged to:

*'..use all reasonable endeavours to complete the enabling works identified as required on the licensee's transmission system in relation to a connect and manage application in a timescale which allows for a connect and manage connection consistent with the connect and manage applicant's reasonable expectations as to connection date.'*

In the process leading up to the connection of the generator, there are several points at which developers may face unexpected delays. The current arrangements allow a degree of flexibility in the connection date in line with changing developer requirements. This can be beneficial for a developer experiencing delays, as the transmission owner may be able to extend the connection date prior to the commencement of works, thereby allowing the

developer to defer TNUoS charges until the new agreed connection date. This optimises the efficiency of the process.

Generally, therefore, we believe that the introduction of incentives in this area would risk disrupting the flexibility that exists currently whilst providing little real benefit either to generators or to customers more generally.

One exception to this may be for those projects with long lead times, such as nuclear generation and offshore development, where the number of parties and the costs involved are significantly higher than for other types of generation. In these instances, the benefits of flexibility in allowing the generator to defer TNUoS charges if experiencing delays to the project are unlikely to outweigh the significant costs that would be incurred in the event that the connection assets were not ready by the agreed connection date. As such, this may be one area where strengthening of the commercial terms would be beneficial.

I hope this is helpful. If you require any further information please do not hesitate to contact me.

Yours sincerely,

Robert Hackland  
**Head of Market Development**