



Ofgem  
9 Milbank  
London  
SW1P 3GE

Name Alan McAdam  
Phone 01793 89 3662  
E-Mail alan.mcadam@rwenpower.com

3 May 2011

### **Project TransmiT: next steps on connection issues**

RWE welcomes the opportunity to respond to this letter. We are responding on behalf of RWE companies operating in the UK:

- RWE npower owns and operates one of the largest and most diverse portfolios of power generating plant in the UK with over 9,000 megawatts (MW) of large gas, coal and oil-fired power stations and cogeneration plant. Our retail arm, npower, is one of the UK's leading suppliers of electricity and gas with around six million customers.
- RWE npower renewables, the UK subsidiary of RWE Innogy, is one of the UK's leading renewable energy developers with an operational portfolio in the UK of 535MW and a potential UK development portfolio of over 8,500MW, including wind farms, hydro plant and biomass generation to produce sustainable electricity.
- RWE Supply & Trading is one of the leading companies in European energy trading and is responsible for all of RWE's activities on the international procurement and wholesale markets for energy.
- Our joint venture with E.ON UK, Horizon Nuclear Power, is developing up to 6GW of carbon free nuclear power.

As you can see from the above interests RWE has in the UK, connections of existing and future investments is an area that we take a close interest in. Whilst there are issues with the existing arrangements that could impact investment decisions for new connections, it is a system that is understood, provides regulatory certainty in its methodology and is delivering new investments.

The issue of connections is a complex one that needs careful consideration before changes are made. We believe that before the existing arrangements are changed it needs to be proved that the new arrangements are an improvement on these arrangements.

We are actively involved in the CAP192 process but at this stage the amendment proposal is not sufficiently developed to fully understand the implications on the industry. It is important to give this process sufficient time to fully understand the implications on such a complex process. We do not therefore believe that giving the process to the end of May before considering whether to launch a consultation on a SCR, gives the right amount of time. We will continue to feed our comments into the working group and any subsequent consultations.

RWE npower

Trigonos  
Windmill Hill Business Park  
Whitehill Way  
Swindon  
Wiltshire SN5 6PB

T +44(0)1793/89 30 83  
F +44(0)1793/89 29 81  
I www.rwenpower.com

Registered office:  
RWE Npower plc  
Windmill Hill Business Park  
Whitehill Way  
Swindon  
Wiltshire SN5 6PB

Registered in England  
and Wales no. 3892782

It is unclear to us what you mean by “we would welcome views on what the appropriate triggers for a SCR may be”. These appear to be set out in your fact sheet called, *Ofgem guidance on the launch and conduct of Significant Code Reviews*, and again in your, *Gas Security of Supply Significant Code Review Launch Statement* where you set out the triggers as;

- Developments in EU law or Government –led policy initiatives that have not otherwise been given full effect in legislation;
- A work stream internal to Ofgem;
- Representations made by stakeholders (whether by code parties, code panels or other affected parties);
- Code modifications proposed by the industry; or
- Unforeseen circumstances that appear to Ofgem to require us to consider the case for significant reform of one or more industry codes.

A reporting requirement on TOs may have merits in collecting information but is no substitute for engaging with industry directly. Care will need to be taken in drafting the reporting requirement or the very questions may narrow the information and therefore the options considered.

Please contact me if you require further information.

Yours sincerely,

Alan McAdam  
Wholesale Economic Regulation Manager