

Date: 23rd September 2011

Reference Number: **106/11**
Email: Project.TransmiT@ofgem.gov.uk

Sent by e-mail: z.zavody@renewable-uk.com

Dear Sir/Madam,

RenewableUK consultation response

RenewableUK is the trade and professional body for the UK wind and marine renewables industries. Formed in 1978, and with over 660 corporate members, RenewableUK is the leading renewable energy trade association in the UK, representing the large majority of the UK's wind, wave, and tidal energy companies.

1. We welcome Ofgem's proposal to introduce a connections reporting incentive on onshore transmission licensees. This accords with our support for this process in the March consultation letter.
2. In principle we would like to see the obligation extended to all network licensees including OFTOs, DNOs, Interconnectors and System Operator (recognising this is covered by NGET composite SO/TO licence).
3. We remain extremely concerned about proposals to incentivise connections as we have noted in our January 2011 letter.

"We are concerned that, if a connection date were to be incentivised by Ofgem, there could be a perverse incentive on SO/TO to provide a more conservative (i.e. later) date in any offer, in order to reduce the risk of penalties, and/or increase the chance of an incentive payment.

We would also be concerned if any incentives were paid for early connection where this was of no benefit to the generator.

We would also want to ensure that a network business that makes, or facilitates, an anticipatory investment is not disadvantaged. In illustration of this point, please consider the following two scenarios. In scenario 'A', a generator is seeking a connection date in 2014 but is offered a connection date much later that they are seeking in 2018. However, the TO/SO is

able to connect the generator early in 2017 and receives a reward. In scenario B the TO/SO has made an anticipatory investment and is able to offer a connection in 2014, they connect the generator on time in 2014 and receive no incentive payment. In scenario B the generator has been connected 3 years earlier with no incentive paid compared to scenario A, connected 3 years later and yet and incentive payments are made.

4. With respect to the licence change text (and these comments would be generic to DNO OFTO etc) we would ask that Ofgem consider the following matters:

- a) Changes to connection dates which are driven by the customer but which may also benefit the network company;
- b) Changes to connection capacity or detailed changes do not hide delays or massage the statistics;
- c) Changes made by the SO/TO (e.g. a change of connection point) which do not delay the connection offer date, but make it impossible for the generator to meet the date (e.g. because the generator must now seek new consents);
- d) Processes or rules of the network operator/ owner which deter particular connection applications and therefore hide likely delays (e.g. in areas where the network operator knows there are planning difficulties);
- e) Introduction of rules or connection requirements which cause delay to the generator and hide delays by the network company. E.g. approvals of equipment being used by the generator;
- f) Innovation by parties (e.g. smart grid connections) which allow early but perhaps constrained connections (with or without compensation);
- g) Actions which span TO/DNO or TO/TO boundaries delaying connections in another network area;
- h) connections which allow only a small part of the generation to be accommodated until some further works at a later date allow use of all capacity.

Yours sincerely,



Guy Nicholson, Head of Grid for RenewableUK