

Date: 10th February 2012

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Dear Ms Bradney,

RenewableUK consultation response

**RIIO-T1 IMPLEMENTING COMPETITION IN ONSHORE ELECTRICITY
TRANSMISSION**

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.

Our members include supply chain companies both manufacturing and services; renewables developers & generators; and energy companies with renewables portfolios. Some members may make their own responses to consultations where they have specific expertise, perspectives or interests that are wider than the wind, wave and tidal sector. It follows that not all members necessarily agree with or support the association's response. The association's response aims to represent wind, wave and tidal industries to the best of our ability, aided by the expertise and knowledge of our members.

RenewableUK understands the in-principle benefits of competition, including competition in the development, construction, and operation of transmission network infrastructure. We particularly welcome the potential for new entrants to:

- navigate more smoothly through the planning process
- provide innovative, lower cost solutions to connection requirements
- construct connections more quickly

- operate the connection more efficiently

These benefits need to be weighed against the costs of introducing:

- a further stage in the connections process
- lack of clarity and therefore higher risk and increased cost of borrowing
- confusion on accountability
- increased metering costs
- distraction from Ofgem's other pressing priorities

RenewableUK would certainly like to see some transmission infrastructure built more quickly, with lower connection costs, and with more consideration of the needs of existing and prospective renewable energy developers.

Any competition must help speed things up rather than slow them down, whether by design or by process. On the first, this could happen by the incumbent TO setting longer construction timescales for preparatory works such that there is no time for a hand-over. The second could happen if the assessment and hand-over process is overly onerous.

Similarly, competition must ensure that costs come down *in the round*. By this we mean not only the cost of the construction of the network itself, but also the cost of borrowing and other transaction costs for all parties, as risks are transferred between the incumbent TO and the new entrant. It would be appropriate for Ofgem to incorporate these considerations into its cost-benefit analyses.

In order to inform practicability and transparency and to manage expectations, RenewableUK and its members would welcome examples of the kinds of works that Ofgem considers as neither meshed nor local works, and therefore eligible for the proposed competitive process.

Yours sincerely,



Guy Nicholson, Head of Grid for RenewableUK