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Dear Mr Cooper,

RenewableUK consultation response REF 177/11

OFGEM FORWARD WORK PROGRAMME 2012-2013

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.

We welcome Ofgem's consultation on its forward Work Programme for 2012-2013. We would like to suggest three additional projects as follows:

1. Charges for local assets offshore and offshore grid coordination. Offshore charging is something that has not directly been addressed under Project TransmiT. Although it is not an issue for current offshore projects with the current support mechanisms, we have raised concerns about the long term impacts of local charges for offshore on the relative costs of

onshore and offshore generation; and the greater uncertainty as offshore networks utilise increased coordination.

2. Access to islands generation. In order to reduce the cost to consumers of meeting low carbon targets, Ofgem and DECC need to facilitate access to the cost effective wind resources on the Scottish Islands. At proposed levels of transmission charges and support mechanisms we do not foresee these projects coming forward.

3. Process cost of regulated network activities. In order to ensure maximum efficiency and cost-effectiveness of regulated network activities, there is a need to review the process requirements for these and whether, in the round, the full range of associated costs, including knock-on costs, is being taken into account. These costs may include:

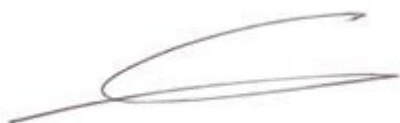
- cost of delays arising from the need for networks to propose lowest cost solutions to grid expansion, as compared with more rapid deployment
- cost of technical connection requirements of generation as compared with providing the services associated with these requirements through other means
- etc.

It is possible that some of the work under item (3) will be integral to other projects rather than being a stand-alone. For instance, it may constitute part of the development of RIIO price controls. RenewableUK would ask that the principle of reviewing process costs is confirmed and adopted under all projects.

Finally, we note that the breakdown of budgets under Figure 1 is different to the breakdown of projects, making it difficult to understand the allocation of resource by project. It may be helpful to have consistency between the forward work programme headings and the budget categories.

We would be pleased to discuss the above issues further with you, and we thank you for the opportunity to input into the work programme.

Yours sincerely,



Guy Nicholson, Head of Grid for RenewableUK