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Topic: The 'One Voltage Rule' verses the 'High Cost Cap'

Dear James,

BNRG would ask that OFGEM gives clarity to DNOs by stating that the one voltage rule is not superseded by the high cost cap rule.

BNRG Renewables is an international Renewable Energy development company specialising in utility scale solar PV projects across the UK. We predominantly develop PV Solar installations in the UK Power networks, Western Power Distribution and Scottish and Sothern Energy Distribution regions of Great Britain. As such we are a stakeholder in the renewables energy policy and regulatory structure for the charging methodology of generation connections in these areas and the rest of GB.

BNRG would like to seek clarity on the 'One voltage Rule' and its validity against the 'High cost cap Rule'. That is; reinforcement costs more than one voltage level away is not paid for by the developer against a 'high cost project' cost in excess of £200/kW is charged.

Connecting renewable energy to the distribution network is becoming increasingly more difficult as spare capacity disappears. Whilst large scale projects approaching medium power station size may be able to absorb the cost of network upgrades, in particular the 132kV network, smaller developments are unviable at these high connection costs.

The Minister of State (DECC) has expressed a desire to see the sector move towards grid parity over the next few years which would create scope for more ambitious deployment, perhaps approaching 20GW early in the next decade. One response as reported in the UK Solar PV Strategy published by DECC is the creation of the grid group Chaired by the National Grid working to provide timely and affordable grid access for solar generation and to minimise the cost of integrating high levels of solar PV into the electricity market. This integration is not only targeted at large installations but includes smaller projects.

Smaller property portfolios looking for connection to the electricity network now find that their 1 or 2 MW project attracts several million pounds of reinforcement works at transmission level when the power produced from the PV Park (or small turbine) is used locally but the capacity is allocated to much bigger projects. It is likely that community projects will hit a brick wall before they have taken off and developers could not afford to consider partnerships with land owners that do not have significant swathes of land.

It is noted in the DECC Strategy reports that Small-scale solar PV is not currently experiencing the same difficulties as some larger-scaled installations, which would include the disparity in high cost elements in connection. The Coalition Agreement includes a commitment to supporting community energy projects, which can play an important part in raising awareness about low carbon energy and in giving communities control over their own energy supply. As part of this policy DECC has committed to consider whether steps can be taken to remove any barriers to deployment and speed up the process of connecting to the grid.

The DECC strategy report sights "removing barriers to deployment" and one of the guiding principles in the 'roadmap' is "support for solar PV should assess and respond to the impacts of deployment on: grid systems balancing; grid connectivity; and financial incentives – ensuring that we address the challenges of deploying high volumes of solar PV". Disproportional connection costs for small PV Solar developments are a barrier that will have an impact on deployment for small scale solar and community energy projects.

BNRG, giving an "on-the-ground perspective of solar PV connection costs" would urge OFGEM to give a definitive statement on this matter such that the one voltage rule (as per demand) is not superseded by the high cost cap to ensure the cost of connection is comparative to the projects generating capability.

Best regards,

David Maguire

Director, BNRG Renewables