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Ecotricity Reference No.: 465A
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The Renewable Energy Company Ltd (Ecotricity)
Feedback on the Whether the Voltage Rule Should Take Precedence Over the
High Cost Cap for Distributed Generation Connections

Dear Ms Powis,

Ecotricity is an independent renewable energy generator and supplier, with over 155,000 gas and electricity customers; 59 wind turbines and the country's first large scale solar park.

The focus on decreasing carbon emissions has created an opportunity for the growth of renewable energy technologies, which are commonly fairly small scale and therefore distribution connected. This unusual connection pattern has put pressure on the grid (both at local and national level), which therefore requires continual upgrading and repair. Although the upgrades benefit multiple users of the grid, under the High Cost Cap (HCC) only one generator is made to carry the entirety of the upgrade costs for their connection. Renewable projects frequently exceed the £200/kW trigger point, making it common for relatively small projects to have to carry substantial HCC costs, which have the potential to cripple such developments.

Under the Voltage Rule all customers pay for their own connection assets, and are expected to contribute towards network upgrades. However, these costs are capped at one voltage level above their point of connection. This means that every generators pays their fair share of upgrade costs.

We therefore agree with Ofgem's view that the Voltage Rule should take precedence over the HCC. This will mean that the costs of upgrading the historic grid system will be shouldered fairly by all generators, with no single generator having to pay unreasonably high charges, providing great financial benefits to subsequent generators in the area.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission. Please contact Tecla Spiller on 01453 769391 or Tecla.Spiller@Ecotricity.co.uk.

Yours sincerely,



Emma Cook
Head of Regulation, Compliance & Projects