

TGC Renewables Ltd response to Ofgem consultation on whether the voltage rule should take precedence over the High Cost Cap for Distributed Generation connections

Received by e-mail on 06 January 2015

Olivia & James,

I am delighted to see your consultation re the 1 Voltage rule, and have a couple of questions.

You propose it to start in April 2015. Could you please clarify what day in April this is to take effect and if the relevant trigger is the grid application date, or the grid offer date.

You may also be aware that if an LV connection triggers an upgrade to the 11/33kV transformers, these are classified as within the "one voltage" rule, so the generator has to pay for them. This is unfair, and could cause a 50KW LV connection to have to pay significant sums for replacement of 33kV transformers. The potential to reclaim some of these costs through the "second comer rule" is unfortunately useless as this is unbankable – ie banks will not lend against the possibility of reclaiming the costs. Furthermore DNOs have a lower cost of capital so it is more rational (ie a lower cost to UK plc) to use their capital to fund these assets rather than generator's equity which is significantly more expensive. Would it be possible to clarify the one voltage rules as assets which are ENTIRELY one voltage above the connection voltage? ie an LV connection only has to pay for assets which are entirely 11kV.

Thanks

Ben

Ben Cosh

Founder and Managing Director

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