

The Office of Gas and Electricity Markets
9 Millbank, London
SW1P 3EG

Submitted online

Dear Anthony Mungall

Vattenfall is the Swedish state owned utility and one of Europe's largest generators of electricity and heat. Renewable energy, and wind power in particular, is at the core of our business – 33% of Vattenfall's total investments in generation assets in the period 2012-2016 will have been in wind power. By the end of 2016, Vattenfall will have near 1GW of operational wind assets in the UK alone.

Vattenfall is a major inward investor in the UK, investing over £2bn since 2008 operating four onshore and three offshore wind farms with a significant portfolio in development. Vattenfall has made final investment decisions worth a further £0.6bn in 2013, onshore at Pen y Cymoedd and Clashindarroch and offshore on the Kentish Flats Extension. Vattenfall is also continuing to develop projects in the Round 3 East Anglia Zone. More than 33% of our £2bn investment has gone to UK businesses supporting over 2000 jobs throughout the supply chain. Pen y Cymoedd has the potential to be worth £1bn to the Welsh economy over the project's lifetime. We work closely with our supply chain to increase our UK content as we know this is crucial to maintain public acceptance and move to a path of sustainable growth.

Vattenfall welcomes the opportunity to engage constructively with Ofgem on the issue of the exercise of compulsory powers. We believe that it is important to facilitate preliminary works, and agree with the aims of the proposed modification to the generation licence.

Vattenfall are supportive of the aims of the modification of the Standard Licence Conditions 14 and 15 of the electricity generation licence. We feel that it clarifies that compulsory powers are exercisable in relation to work preliminary to electric line activity including the power to enter on and survey land.

We feel that the detailed modifications to the text of the licence conditions are acceptable, and will achieve what Ofgem intends through the modifications.

Vattenfall Wind Power Ltd

Registered in England and Wales Registration number:06205750 Registered Office: 1 Tudor Street, London, EC4Y 0AH

United Kingdom

Tel: +44(0) 20 7451 1150 www.vattenfall.com

However, we have some concern over the removal of the reference to “connected with” in Condition 14 has the potential to narrow the scope for which the powers can be used. Previously the powers could be used in relation to construction, extension or operation of a generating station or activities connected to the same. We would therefore propose the following amendment to Condition 14:

1. This condition shall have effect and come into operation for the purpose of this licence on and from 1 May 2007.
2. The powers and rights conferred by or under the provisions of Schedule 3 to the Act (Compulsory Acquisition of Land etc. by Licence Holders) shall have effect in relation to the licensee to enable the licensee to carry on the activities authorised by this licence and which relate to or are connected to:
 - (a) the construction or extension of a generating station;
 - (b) the operation of a generating station; and
 - (c) the installation, inspection, maintenance, adjustment, repair, alteration, replacement or removal of electric lines and electrical plant associated with them, and any structures for housing or covering such lines or plant, connecting a generating station with:
 - (i) the national electricity transmission system; or
 - (ii) a distribution system

including, for the avoidance of doubt, works preliminary to those activities, whether those activities are carried out by the licensee or another licence holder.

For consistency, we also propose the following amendment to Condition 15

1. This condition shall have effect and come into operation for the purpose of this licence on and from 1 May 2007
2. The powers and rights conferred by or under the provisions of Schedule 4 to the Act (Other Powers etc. of Licence Holders) shall, subject to paragraph 3 and 4 below, have effect to enable the licensee to carry on the activities authorised by this licence and which relate to or are connected to:
 - (a) the construction or extension of a generating station;
 - (b) the operation of a generating station;

- (c) in relation to, or in pursuance of, the installation, inspection, maintenance, adjustment, repair, alteration, replacement and or removal of:
 - (i) electric lines specified in paragraph 3 below;
 - (ii) electrical plant associated with such lines; and
 - (iii) any structures for housing or covering such lines or plant;
 - including, for the avoidance of doubt, works preliminary to those activities, whether those activities are carried out by the licensee or another licence holder
- (d) in relation to the installation of electrical plant to be used in connection with a generating station or the operation thereof;
- (e) in relation to electric lines or electrical plant as if the references to them in Schedule 4 to the Act included pipes for conveying directly to consumers' premises heat produced in association with electricity and steam produced from air and water heated by such heat and associated works in relation to such pipes and as if "associated works" had the meaning given in section 10(3) of the Act

We believe that these modifications will keep the breadth of works previously covered by the licence condition.

With these alterations, Vattenfall believes that the proposal to the change the generation licence is in keeping with the interests of Vattenfall, and the broader industry, and as such, we agree with the proposed changes.

Please don't hesitate to get in touch if you would like

Yours sincerely,



Piers Guy
UK Country Manager
Vattenfall

