

Received by email  
Dear Olivia

I had been concentrating on the response to the 'Non Traditional Business Models' consultation - response due by 20th May, which in many ways is very similar to this.

I am responding on behalf of the MorlaisTidal Energy Project based on Anglesey in North West Wales. The Morlais project is being undertaken by Menter Môn a third sector organisation set up to help develop the population of Anglesey and surrounding areas.

In summer 2014 we successfully won a bid to become Third party managers for the West Anglesey (Tidal Current) Demonstration Zone on behalf of the Crown Estate. Our aim being to attract a significant proportion of the tidal energy industry to North Wales.

The biggest barrier by far to development of this industry is the huge cost and protracted time scale for achieving grid connections. The area has suffered from under investment in grid infrastructure for years and we are now at a cliff edge on the embedded network where any further capacity would trigger massive infrastructure reinforcement costs. We need 100-120MW and could accept a phased/stepped approach over 5-10 years with uniform capacity increases, we believe there is only 13MW or so available at the moment costing around £1.6m, another 1 MW would cost a further £30-50M and introduce planning risk and take between 5-10 years, all additional capacity being back end loaded.

Of course in our case we cannot react to price signals and go where the capacity is, as the tidal energy resource is at a specific point off the coast and has to be fed into the grid locally. It will be the same with Hydropower.

I think a percentage of new grid capacity should be set aside as anticipatory reinforcement and the cost socialised. The DNOs working with Government and Industry Trade bodies to select where this capacity should be made available. This capacity could then be released to CIC's and shared out between qualifying developers in line with government strategic objectives for energy production. That way if the Government wanted to support marine current power production in an area then there would be some grid capacity available locally at reasonable cost and the grid uncertainty would be removed making access to project funding easier, and policy would not be at odds with the reality of provision.

We would be delighted to be engaged with Ofgem in any further discussions on distribution connections.

Best regards

Andy Billcliff