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Catherine Williams
Head of Commercial Regulations, Electricity Transmission
Ofgem
9 Millbank
London, SW1P 3EG

[22/12/2015]

Dear Catherine,

Re: Standard Licence Condition C13 – Adjustment to use of system charges (small generators)

RenewableUK is the leading trade association in the UK for renewable electricity, with over 500 members active across the value chain for the wind, wave and tidal energy sectors. Scottish Renewables is the representative body of the renewables industry in Scotland, with more than 330 member organisations spanning the full range of renewable energy technologies. Our members include many companies that own wind generation projects in Scotland, or wish to develop wind and marine projects that would connect to the electricity network at 132kV. We thus have a keen interest in ensuring fair charging arrangements for generation in Scotland, including for those affected by the 'small generator discount'.

We wish to express our support for the proposal to modify Standard Licence Condition C13 'Adjustment to use of system charges (small generators)' of the electricity transmission licence (SLC C13), so that the adjustment to use of system charges for eligible generators extends until 31 March 2019.

In particular we support Ofgem's reasoning that the discount should remain in place until new enduring charging arrangements establish a level playing field for small 132kV connected generators in Scotland. Removing the discount before such arrangements are in place would discriminate against this category of generator and disadvantage such generators that have already invested with the clear understanding that the discount would remain until such enduring arrangements were established. The difference in treatment with regards to use of system charging calculations between similarly sized assets connected in Scotland and those connected in England and Wales is justified, given that overall network charges for Scottish small generators still appear higher than for projects of the same size in England & Wales. It is appropriate that this disparity is recognised through adjustment of transmission use of system charging, and thus we support the continuation of the small generator discount.

However, there remains inherent uncertainty in the rolling nature of this decision process, impacting the financial security of sub-100MW, 132kV transmission-connected generation.

With this in mind we would like to see an enduring charging arrangement to be established in good time to prevent any step changes in charging, and we and our members look forward to working with

Ofgem to develop these arrangements. We are aware that there could be other approaches to dealing with this uncertainty that may be better, and we are keen that you consider all viable options which would lead to an enduring solution for this asymmetric treatment of small generators. The time afforded by this extension of the discount should be used to ensure that there is a holistic solution.

If you have any questions please contact me at your convenience.

Yours Sincerely,

Eamonn Bell
Policy Manager – Networks and Systems
RenewableUK

Michael Rieley
Senior Policy Manager: Grid & Markets
Scottish Renewables