

Energy Intensive Users Group

British Ceramic Confederation
Chemical Industries Association
Mineral Products Association
Major Energy Users Council

British Glass Manufacturers Confederation
Confederation of Paper Industries
BOC Air Products
UK Steel

Frances Warburton
Partner – Energy Systems
Ofgem
9 Millbank
London SW1P 3GE

23 September 2016

Dear Frances,

Charging arrangements for embedded generation

We write in response to your open letter of 29th July on charging arrangements for embedded generation.

EIUG represents the UK's largest industrial energy users, some of which rely entirely on conventional grid supplies for their electricity, others wholly or partly on auto-generation.

Our members are naturally concerned about the increase in overall TNUoS charges referred to in your letter, but also worried that hastily implemented changes to transmission charging arrangements could unduly disadvantage embedded generators and other stakeholders.

We therefore believe Ofgem should accept the need for a more considered, comprehensive and formal review of transmission charging arrangements, so that the full range of potential impacts on industrial co-generators and other stakeholders can be properly analysed and taken into account in the development of any subsequent reform proposals.

Yours sincerely,



Jeremy Nicholson
Director, EIUG