

10th April, 2017

Dear Andrew

As a new embedded generator into the 66KV network of Northern Powergrid, it is with dismay that we learn of this Minded Decision, which will impact on our financial model right at the commencement of our Tansterne biomass plant life. We are supportive of the response made by ADE / REA entitled 'Response to Open Letter on charging arrangements for embedded generators' dated 23 September 2016.

We believe that long-term, predictable and stable support is essential for embedded generators providing valuable small-scale renewable generation where the renewable energy is available and associated plant is cost-effective to connect. We therefore hold the view that if OFGEM is minded to reduce a benefit to small embedded generators because of a perceived market distortion such as this, there should be an equivalent increase in other benefits to balance back the overall support provided.

One of the challenges we are facing at our new plant in East Yorkshire is the ability of the electricity network to accept additional embedded generation. For example, the introduction of the 'smart grid' automatic network management scheme by NPg is proving more costly to us and longer to implement than was indicated at the Connection Offer acceptance stage. This is already impacting on the financial viability of the plant and to learn of this Triad benefit reduction proposal is another potential impact right at the start of the plant life.

For the reasons provided above, we therefore endorse the longer-term approach put forward in the ADE / REA response to CMP 264 and CMP 265 and trust that OFGEM will at least balance the loss of benefit through this proposed TRIAD mechanism adjustment, with increases in other income support for small-scale embedded generators such as ourselves.

Kind regards



Richard Caley
Director
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