



VENTIENT
ENERGY

Andrew Self
Targeted Charging Review, Energy Systems Transition
Office of Gas and Electricity Markets
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By email to TCR@Ofgem.gov.uk

20 DECEMBER 2018

RESPONSE TO PROPOSED MODIFICATION OF SLC C13 (SMALL GENERATOR DISCOUNT)

Dear Andrew,

Ventient Energy is one of the largest onshore wind generators in the UK with 34 sites and 690 MW of installed capacity from North East Scotland to South West England. Within this portfolio we have both transmission and embedded connected sites providing green electricity to meet domestic demand and the UK's binding climate change targets.

We strongly support the extension of standard licence condition C13 ("SLC C13") from the current end date of 31 March 2019 to a revised end date of 31 March 2021.

SLC C13 addresses the fact that small generator 132kV sites in Scotland are deemed transmission sites, and therefore liable to pay TNUoS charges, while similar sites in England and Wales can receive embedded benefit payments. The repeated continuance of the discount first implemented on 1 April 2005 appears to acknowledge the inconsistency of transmission charging for 132kV connected sites sub 100MW (small generators). Having set a precedent, our view is that it is reasonable to expect that the SLC C13 extension will continue until the transmission charging system is updated.

We would welcome further discussion on the proposal to remove SLC C13 prior to expiry of this latest proposed extension on the grounds that the current Targeted Charging Review ("TCR") proposals will not level the playing field for transmission charging of 132kV small generators, which we understand has always been the goal of an enduring solution.

Even after the current TCR proposals 132 kV connected small generators in Scotland would still suffer unfair discrimination. CUSC MOD CMP302, published on 23 August 2018, would have provided a platform for open discussion on this matter but it was unfortunately discontinued by Ofgem!

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Without the extension and further discussion around the proposal to remove SLC C13, margins on many existing renewable energy sites will be severely impacted.

Clean growth lies at the heart of the UK's Industrial Strategyⁱ and onshore wind offers the lowest cost route to the UK meeting its climate change goals. However, the compound impact of the potential removal of SLC C13 along with further proposed detrimental charging arrangements proposed within the Targeted Charging Reviewⁱⁱⁱ will make it harder still for new, well-located onshore wind schemes to find a route to market.

Please do not hesitate to get in touch if you have any questions or require any further information. We look forward to further engaging with Ofgem and the industry on this matter and to the outcome of this consultation.

Yours sincerely,



Scott Mackenzie
CEO



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ⁱ <https://www.ofgem.gov.uk/publications-and-updates/cmp302-extend-small-generator-discount-until-enduring-solution-acknowledging-discrepancy-between-england-wales-and-scotland-implemented-decision-urgency>

ⁱⁱ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf

ⁱⁱⁱ <https://www.ofgem.gov.uk/publications-and-updates/targeted-charging-review-minded-decision-and-draft-impact-assessment>