

The CLA

The Country Land and Business Association (CLA) represents 30,000 members who own and operate a variety of businesses within the rural areas of England and Wales and are users of electricity.

Many of our members also generate and export back to the grid whether this be from solar, wind, anaerobic digestion, hydro, battery storage or short term generator schemes. They either generate the electricity and sell it back to the grid, or do so indirectly through lease arrangements with the generators.

General

There have always been grid capacity issues which have blighted many areas and have prevented them from generating electricity and exporting it to the grid. This is an issue that affects almost all of the country but has been particularly acute across the whole of the South of England and Wales - this has limited development of many small to medium sized solar schemes in some of the brightest parts of the country. Very large schemes can sometimes still go ahead because the huge upfront connection costs (that fund grid upgrades) can sometimes be viable at this scale, but this can have a landscape impact so suitable sites are further limited.

Many of our members have over the years diversified their businesses substantially, this may mean changing between livestock and cropping systems, converting building to office or other use and the building of houses. The cost of a grid connection in these cases can be disproportionate when the grid is deemed to be at capacity and new lines or transformers, substations are deemed to be required.

Looking to the future the need for rural generation will increase and the grid must be designed to address this future requirement for what is low/zero carbon sources. Connection to the grid at a cost that makes this generation economically viable must be provided otherwise we will find this investment as stifled in the future as it is now

In addition there will be a need to allow for grid capacity to electric vehicles (currently cars and vans but in the future will extend to other machinery that use petrol and diesel at present) there will also be an increase in automation to drive agricultural productivity in particular which will have an energy requirement.

There needs to be some proportionality when grid connections are required, the cost charged should not have to be for the general upgrading of aged infrastructure but for the reasonable cost of the connection. Going forward the grid needs to be seen as an enabler of growth in the rural area not a restriction. As the DNOs have a monopoly of supply in an area there needs to be a better way of challenging the costs of connection rather than going through a lengthy complaints procedure ending with Ofgem

1. Do you have any views on the proposed objective for RIIO-ED2?

The objective set out, does not outline the need to build the grids physical capacity. The CLA is not convinced that technology and efficiency alone can add this capacity especially in the rural areas whether grid access has historically been difficult

2. To what extent should we take into account outcomes linked to decarbonisation targets, and what outcomes might this involve?

Enabling de-centralised generators to connect to the grid is the best way to drive low carbon generation and in many cases the energy can also be used by local businesses. There can be monetary incentives to encourage low carbon generation by unless there is access to the grid such incentives will flounder

3. Are there activities that DNOs are best placed to carry out in order to achieve these outcomes? What are the alternatives? Why would it be appropriate for energy consumers to fund these activities?

DNOs need to explore where there is likely to be demand in their network and proactively build that capacity to enable access to the grid. If you rely solely on building capacity in a reactive manner it will be too slow and too costly for the developer/consumer, so a transformational step change will never be achieved

4. How should we assess DNO funding requirements and measure DNO performance in these areas?

Funding and assessment should be assessed on the ability to roll out improvements to the network that allow increased access to the network for increased use whether this is for generation (PV, AD wind and hydro etc) or the change of energy use (e.g. electric cars, heat pumps etc) particularly across rural England and Wales.

6. How do we ensure that network companies are best placed to undertake strategic investment and manage the associated risk? How should the risks of these investments be managed?

DNOs should be charged with targets for growing grid capacity that also address rural access needs. Risk will have to be managed by accurate projections of demand and use. Ofgem should audit these targets and ensure that they are delivered.

12. In what ways could the existing arrangements drive more innovation and competition?

It can only do this by increasing capacity and allowing greater access to the network, and better use of smart grid technology. There needs to be a greater mix of differing technologies across different localities. Another incentive might be to incentivise schemes where the energy is likely to be used locally rather than generated miles from where it is used, building more local grids.

18. We welcome views on our proposed position of a five-year price control for RIIOED2.

It is important that the levels of investment is measured throughout the plan period and progress audited.

20. We welcome views on whether these enhanced engagement arrangements are appropriate for RIIO-ED2

The CLA welcome these and it is important that these bring greater transparency and drive improvements in the network. It is important that this engagement covers the whole gambit of businesses who generate or use electricity not just the big players. It is also important that the needs to the rural areas are understood and invested in.

25. We are interested to hear stakeholder views on how DNOs should ensure their networks are resilient to physical and/or virtual threats, as well as being able to withstand the effects of adverse weather and the impacts of climate change.

It has been observed that some DNO are taking a very precautionary stance to felling of trees adjacent to power cables. Whilst this may be necessary for H&S and resilience purposes there can be a significant impact on the landscape as well as impacting on the landowners' business. What seldom appears to happen is any judgment as to whether that is the best route and whether any gains can be achieved with moving the powerline to a more sustainable location.

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