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Submitted via email: Andrew.Burgess@ofgem.gov.uk

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Dear Andrew,

Ref: innogy's response to the statutory consultation "Small Generator Discount: Statutory Consultation on Modification of Standard Licence Condition C13"

Innogy Renewables UK Ltd, as a developer and operator of renewable generation located on both the transmission and distribution networks, and owner of Belectric Battery Storage Ltd welcomes the opportunity to respond to this consultation.

The small generator discount has been an important part of addressing disparity created by the boundary difference of 132kV connections in Scotland, England and Wales, and we welcome Ofgem's recognition of the importance of this discount. Innogy is supportive of the proposal to modify SLC C13 by amending the expiry date of this condition from 31 March 2019 to 31 March 2021. We agree that the current Small Generator Discount arrangement should remain in place while the Targeted Charging Review (TCR) is in process.

However, we are concerned that Ofgem implies that this discount will be reduced to zero after March 2021. We strongly encourage Ofgem to refrain from making any firm decisions in this regard until outcomes as a result of both the TCR and the Electricity Network Access Project proposals are known. It is by no means certain at this stage that the Small Generator Discount, or a similar such mechanism, will not be needed after March 2021.

Even with the conclusion of these pieces of work referenced above, if the fundamental market distortion created by the boundary persists, then some form of mechanism to level the playing field is likely to still be required going forward.

Yours sincerely,

Nicola Percival
Policy & Regulations Manager

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