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Targeted Charging Review, Energy Systems Transition  
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By email to TCR@Ofgem.gov.uk

31 DECEMBER 2018

*Response to Proposed Modification of SLC C13 (Small Generator Discount)*

Dear Andrew,

State Development & Investment Corp.,Ltd, is one of the world's largest renewables generators. The SDIC Power division of SDIC is engaged in investment, operation and management of electric power generation projects, with a key focus on renewable energy. As of the end of 2017, the company has total installed capacity of 31.6GW worldwide.

Red Rock Power Limited, based in Edinburgh, is a new platform for growth of the company in Europe. Red Rock Power Limited is expanding rapidly in the UK, and currently has a mixed onshore and offshore portfolio which includes transmission connected projects. Red Rock Power Limited strongly supports the extension of the standard licence condition C13 ("SLC C13") from the currently scheduled end date of March 31<sup>st</sup>, 2019 to an extended end date of March 31<sup>st</sup> 2021.

The small generator discount was introduced to provide a level playing field for small 132kV transmission connected generators in Scotland and 132kV distribution connected generators in England and Wales. As a result of the treatment of embedded generators as negative demand in England and Wales, embedded generators do not pay generation transmission charges and they may also receive a benefit from suppliers because they reduce their demand transmission charges. Small generators in Scotland do not receive this benefit and are liable to pay TNUoS charges. As a result of this situation, margins on many existing renewable energy sites across Scotland will be severely impacted, with the potential for impact on the UK's binding climate change targets.

The discount has been continued on three occasions since first implementation in 2005, which Red Rock Power Limited believes acknowledges the inconsistency of charging applied to small generators in Scotland. This precedent having been set, it is our view that it is reasonable for the extension to continue until such time as the charging system can be updated.

Red Rock Power Limited would welcome further discussion on how to achieve a level playing field for small transmission connected generators in Scotland prior to the expiry of the latest proposed extension in March 2021.

Should you wish to discuss any specific aspects of this response with Red Rock Power Limited, please do not hesitate to get in touch. We welcome the prospect of further engagement with Ofgem on this matter and look forward to a positive outcome on this consultation.

Yours sincerely,



Guy Madgwick  
CEO Europe



**Red Rock Power Limited**

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