



Our ref: FOI 2015/00791

28 January 2015

RE: Freedom of Information Request

Thank you for your request of 11 January 2015, under the Freedom of Information Act 2000, for the following information:

Point 1 - *What “constraint payments” have been paid to each different energy production sector (by fuel type) annually for the last fifteen years; what percentage of their annual output capacity was thus “constrained” by National Grid as part of its normal balancing of supply and demand?*

Point 2 - *How much generation capacity of each of the conventional power producers has annually been held back specifically to make way for the output of renewable energy providers; what is the annual cost (in actual cost-of-production terms) of replacing this conventional production capacity with renewable capacity; what is the additional cost of the subsidies paid to the renewable generators annually?*

Under the Freedom of Information Act 2000, you have the right to:

- know whether we hold the information you require
- be provided with that information (subject to any exemptions under the Act which may apply).

Point 1

Constraint payments are made by National Grid, not the Department of Energy and Climate Change (DECC), through competitive market arrangements, in order to ensure the secure and efficient operation of the electricity system. The only information held by DECC on this subject is available on publicly available websites. Under Section 21 of the Act, we are not required to provide this information as it is already reasonably accessible to you from the following sources:

- a breakdown of constraint costs by fuel type for 2014/15 (year to date) is at page 29 of National Grid's Monthly Balancing Services Summary (December 2014). The fuel type categories are: coal, gas, interconnector, wind and 'other' (which includes hydro, OCGT, demand side providers, nuclear and oil). You will see that the majority of constraint payments were made to non-renewable sources of generation. See: <http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=39291>
- page 31 of the same publication shows the annual level of payments made to wind farms since 2010/11 (no payments were made to wind farms before this date)

- a breakdown of constraint costs by fuel type for 2013/14 is on page 28 of National Grid's Monthly Balancing Services Summary (March 2014). See: <http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=32941> We understand that National Grid has not published a breakdown of constraint costs for all fuel types before 2013/14.
- the percentage of annual wind farm output curtailed by National Grid for 2012/13 and 2013/14 can be calculated from the estimates published at page 45 of National Grid's Winter Outlook 2014/15. See: <http://www2.nationalgrid.com/media/Resources/PDFs/reports/WinterOutlookReport2014.pdf> . We understand that National Grid has not published an annual breakdown for wind farms before 2012/13, or an annual percentage breakdown of constrained output for other fuel types.

More generally on the topic of constraint costs, you may find this National Grid article of interest, as it explains the rationale for constraint payments:

<http://www.nationalgridconnecting.com/grounds-for-constraint/>

Point 2

We interpret your requests under point 2 as relating to the management of transmission constraints. DECC does not hold information which could address these points, and we understand that such information has not been published by National Grid.

Appeals Process

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to: **Information Rights Unit** (foi@decc.gov.uk)

Security & Information Rights Unit (DECC Shared Service)
Department for Business, Innovation & Skills
1 Victoria Street,
London
SW1H 0ET

Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF