

Our date  
14.04.10

Our reference  
STUK resp Grid Access

Administrative officer  
Paolo Natali

Your date  
03.03.10

Your reference  
**URN 10D/567**

**Future Electricity Networks Team**  
**Department of Energy and Climate Change**  
Area D, 4th Floor  
3 Whitehall Place  
London  
SW1A 2HD

[gridaccess@decc.gsi.gov.uk](mailto:gridaccess@decc.gsi.gov.uk)

14 April 2010

Dear Sir,

**Re: Response to the Second Consultation on Improving Grid Access**

Statoil, the largest importer of gas to the UK and investor in offshore renewable projects, welcomes the opportunity to comment on the policy proposals set out in the Second Consultation on Improving Grid Access.

We believe that the proposals will continue to promote the necessary increase in renewable generation, in particular offshore wind installations. These are often remote location which by definition have a higher cost when accessing the grid. It is right that such costs, which might otherwise inhibit the UK reaching its EU targets, are effectively managed by the industry.

For this reason, Statoil supports the “socialised” version of the Connect and Manage (C&M) approach, a position which also seems to be well aligned with the broader wind industry on this point. As long as the congestions cost do not become significantly higher than estimated, we believe that this model should not bring any unwanted risk to the wind business; Redpoint’s analysis is reassuring in this sense, as it estimates quite low congestion costs compared to previous studies. Moreover, Statoil welcomes the flexibility of the proposed system as it would still be possible to choose the “Invest then Connect” approach, should generators prefer it for any reasons.

It should also be added that grid capacity is still a major issue, and DECC, in collaboration with Ofgem and the industry, need to have a high focus on this to be able to deliver the ambitious renewable generation goals set by the UK government for 2020. If the grid is delayed, this may

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also result in significant congestions costs which, even if they are socialised, will have an impact on the industry and ultimately the consumer.

Below are our comments on some of the specific questions posed in the consultation.

**1. Do you agree that the proposed model for reforming grid access would best meet the Government's objectives for this reform? We would particularly welcome comments on:**

• **The definition of “enabling works”**

The definition of “enabling works” should be limited to what is absolute minimum taking in to consideration National Grid's responsibility and obligation to secure a safe operation of the transmission grid. The proposed definition in our opinion reflects this; however, National Grid seems to have quite wide powers to interpret the definition. It should therefore be made clear that enabling works should be kept at a minimum.

• **The process for derogation from the Security and Quality of Supply Standard (SQSS)**

We support the proposed process for derogation from the Security and Quality of Supply Standard (SQSS). We believe that this process represents a change which would be more efficient to NGET/transmission licensees and developers.

Statoil trust that our views will be given due consideration, we remain available for any further clarification.

Yours faithfully,

Paolo Natali  
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