

The Renewables Advisory Board (RAB) is pleased to submit the following response to the 2nd Consultation on Improving Grid Access 2010, issued on 3rd March 2010¹, with an additional information note on 'Enabling Works' published on 29th March 2010². RAB does not propose to respond to individual questions in the consultation or to comment on the licence and code changes proposed in the annexes; however this document provides RAB's views on what we consider to be the key issues raised.

The key points that RAB wishes to make are summarised below:

- RAB welcomes the confirmation of socialised 'Connect and Manage' as the way forward and the results of the 'Redpoint' consultants work³ (and DECC's review of it) that indicate that the constraint costs associated with this approach are lower than originally estimated by a number of other studies.
- In line with RAB's submission to the first consultation - that the revised arrangements must be introduced as soon as possible – RAB welcomes the proposed timescale that plans to put the enduring measures in place by June 2010.
- Following the point raised in the response to the first consultation - that it would be important to align the Government's social and environmental guidance to Ofgem and any changes made to Ofgem's duties in the forthcoming Energy Bill⁴ with Government policy in these areas – RAB welcomes the useful clarifications of Ofgem's role provided in the Energy Bill.
- Similarly, RAB welcomes the investment clarity proposed in the 2nd consultation – it would reiterate that the new arrangements should be designed to be as enduring as is possible, at least covering the next phase of development of the generation plant that will be needed to meet the Government's low carbon and renewables policies up to 2020.
- RAB welcomes the recognition that there is a strong requirement to drive forward infrastructure investment and the recognition that there needs to be a period while the transmission system catches up with the changes to generation required to meet our 2020 objectives.
- RAB believe that there remains a need to expedite important work related to improving grid access. This includes the completion of the review of the National Electricity Transmission System Security and Quality of Supply Standards (SQSS) Review⁵ that has been underway for more than a year (indeed work on system planning for increased wind started in January 2007). The results of this review could have significant implications for the grid access regime. RAB believes this work has not been given adequate priority to date. This could result in:
 - Revisions having to be made to the enduring access regime at a later date
 - Too much asset investment in some cases resulting in under used assets or too little in others with the consequence of increased constraint costs
 - Inadequate foundation for fair transmission charges for wind and other generation.
- RAB therefore requests that DECC and Ofgem put pressure on NETSO to bring forward the SQSS review as a matter of urgency so that additional certainty and clarity can be

¹ See: http://www.decc.gov.uk/en/content/cms/consultations/improving_grid/improving_grid.aspx

² See: http://www.decc.gov.uk/en/content/cms/consultations/improving_grid/improving_grid.aspx

³ 'Improving Grid access: Modelling the Impact of the consultation Options' see document list at: http://www.decc.gov.uk/en/content/cms/consultations/improving_grid/improving_grid.aspx

⁴ See: <http://man270109a.decc.gov.uk/en/content/cms/legislation/energybill/energybill.aspx>

⁵ See: <http://www.nationalgrid.com/uk/Electricity/Codes/gbsqsscode/Review+Group/index.htm>

provided to (e.g.) the enduring access regime and the further review of the ENSG transmission 2020 vision. As well as being expedited, the SQSS Review needs to be carried out with a high degree of transparency.

- Similarly, RAB believes that the ENSG transmission study, published in 2009, should be reviewed and revised as necessary to recognise the results from the SQSS Review and other developments since its publication.
- RAB welcomes the revision to user commitment and believes this now represents a fair balance between the requirements for future planning and the imposition of potential additional costs on generators (and in particular smaller generators). RAB do not believe the user commitment period should be extended beyond that now proposed.
- RAB recognises the simplification introduced by the proposals for self derogations from SQSS with NETSO having a veto on these compared to the current regime that requires a request to Ofgem. However RAB would like to see more clarity on the conditions under which NETSO could veto, proposals for an appeals process against a veto and also notes that there could be a potential conflict of interest with transmission operator derogations also going to NETSO. RAB would suggest that there remains a role for Ofgem in this area to oversee NETSO's vetoing role. Another option, supported by a number of RAB grid group members, is to modify SQSS with clear rules on what is allowed and remove the need for the derogation from the current standard. Overall, RAB has a number of reservations over the self derogation proposals and would suggest they are examined further.
- RAB welcomes the information note on 'Enabling Works' published by DECC following the discussions at the RAB Grid Group meeting on 11th March 2010. However it believes there remain areas within the proposals that require further clarification. RAB is concerned that the definition of a MITS substation as one with 5 or more transmission circuits connected is unduly restrictive. Under this definition it believes the majority of all works becomes "enabling" and the benefits of connect and manage are potentially diluted. RAB would request that DECC and NG consider either a clearer definition which doesn't require a cap on enabling works; or a cap to be set at a more realistic level.
- RAB welcomes the decision to introduce the Public Service Obligation that aligns the regime with European legal statutes and provides a greater degree of legal certainty to the arrangements.

A handwritten signature in blue ink, appearing to read 'Chris Naish', is positioned above the typed name.

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on behalf of:
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13th April 2010