



14 April 2010

Mr. I Lomas  
Future Electricity Networks Team  
Department of Energy and Climate Change  
Area D, 4<sup>th</sup> Floor  
3 Whitehall Place  
London  
SW1A 2AW

Dear Ian,

**Improving Grid Access - Consultation Response**

Wind Energy is pleased to submit this response to the above consultation document on Improving Grid Access. We are writing on behalf of six group companies with wind power projects under development across Scotland with a combined capacity of some 500MW. The principal shareholder in the Wind Energy companies is AES Corp, one of the world's leading independent power producers.

You have asked three principal questions, to which we respond as follows:

- 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**

This is the single issue in your consultation where we have the most concern. No, we do not agree that the definition put forward is in any way appropriate for the intended purpose. In our response we focus most particularly on the workings of your proposals in northern Scotland where the access issues are most troublesome for renewable power developers such as ourselves:

The transmission grid in northern Scotland is characterised by radial lines stretching out from the main circuits. These radial lines are part of the transmission grid today and in concept, we strongly believe that Connect & Manage should refer to projects being able to connect to these existing infrastructure assets with the TO/SO managing any consequential constraints. By seeking to define Enabling Works in the way you do, with a requirement to look at upgrades of these lines as an integral part of connecting new generation, you extend the meaning beyond where industry conceived it to be. Such a proposal WOULD slow down the speed of new generation build in this area without a doubt, potentially considerably – to the detriment of the UK energy market and consumers in many respects. Furthermore, aspects of your proposals will replace today's queue with a series of mini queues around each of the few sub-stations in northern Scotland qualifying as part of the grid for the purposes of your very restrictive definition.



In our view Enabling Works should refer to works needed to connect new generation to the nearest existing sub-station or switch station which is itself connected to transmission assets of any kind. It should be as simple and straightforward as that.

#### **The process of derogation from the SQSS**

While there is any element of subjectivity and opinion in derogations from the SQSS, be they through an NGET self-derogation or an Ofgem view, it introduces both time delay and risk to developers that such derogations may not be granted. The whole concept of Connect & Manage is that the system *cannot* currently cope with the additional generation. If it could then we would not need Connect & Manage. Non-compliance with the SQSS is a choice of using this approach and derogations, we suggest, should therefore be automatic. It is not the intention of any parties however that they should remain indefinitely so you may wish to time bound them for the TO. The only rationale for doing this however is to encourage/require the TO to put in place sufficient upgrades to bring the system back into compliance. You may wish to give thought to other ways in which this could be better achieved.

#### **The extension of User Commitment**

We have no concerns with an extension in the manner proposed and support DECC in this measure.

#### **The transition arrangements**

These appear to be satisfactory from our perspective.

### **2. Do the proposed licence and code amendments deliver the policy aim?**

Save in respect of the definition of Enabling Works and our major reservations set out above, generally we consider that they do. We would question if enough thought has yet gone into the practical ways of avoiding market power abuses in constrained areas but the high level approach you are taking would allow for that to be further addressed in due course if needed.

### **3. Do you think there are other changes to industry codes and licences or any other actions needed to implement the model?**

Not directly. We have previously raised concerns about related charging issues, most particularly user commitment in advance of connection where the problem may be made more acute by the distinctions being drawn here between the MITS for the purpose of Enabling Works and the MITS for the purpose of TNUoS calculations but we are prepared to leave that for wider industry discussion of charging which is now taking place through the industry group RenewableUK.

Overall we would like to take this opportunity to express our thanks to the team at DECC for the time and effort they have expended in getting to this point. Subject to our considerable concern on the approach being suggested to Enabling Works, we feel that major progress has been made and industry is nearing a turning point in transmission access at long last.



We hope that these comments are useful and would be happy to discuss them further if it would prove useful.

Yours sincerely

**Michael Davies**  
**Managing Director**