



Our ref: FOI 2015/00987

28 January 2015

RE: Freedom of Information Request

Thank you for your request of 13 January 2015 for the following information, which we have considered under the Freedom of Information Act 2000:

Point 1 – Details of the cost in each of the last two years of compensating wind farm owners who have had to cut their supplies to avoid overloading the grid.

Point 2 – A copy of any recorded discussion on the possibility of paying other producers in these circumstances to reduce the usage of non-renewable resources.

Point 3 – If no such discussion has taken place, whether it may do in the near future.

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 – payments to wind farms

As background, it might be helpful to begin by explaining that payments to curtail output from wind farms are made by National Grid, not the Department of Energy and Climate Change (DECC). Such payments are made through competitive market arrangements in order to ensure the secure and efficient operation of the electricity system. They will generally relate to periods of transmission constraint, when power cannot be transmitted from where it is produced to where it is needed, due to congestion at one or more points on the transmission network. When this happens, National Grid needs to take action to 'balance' the network. The enclosed National Grid article provides further information on the rationale for constraint payments, and is also available at: <http://www.nationalgridconnecting.com/grounds-for-constraint/>

The only information held by DECC on these payments 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. In particular, see National Grid's Monthly Balancing Services Summary (December 2014), where page 31 sets out the annual level of payments made to wind farms since 2010/11. No such payments were made to wind farms before this

date. This publication is also enclosed, and is available at:
<http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=39291>

Points 2 & 3 – payments to other types of generation

Constraint payments are already made to various types of generation, including coal and gas power stations, as well as wind farms. Indeed, constraint payments were being made to coal and gas power stations long before wind farms joined the generation mix, and the majority of payments continue to be made to non-renewable sources. National Grid is incentivised to choose the cheapest option to resolve a constraint, which will usually mean constraining coal and gas before wind farms. Page 29 of the above National Grid publication contains a breakdown of constraint costs by fuel type for 2014/15 (year to date).

Against this background, it follows that no discussions have taken place within DECC *on the possibility of paying other producers in these circumstances to reduce the usage of non-renewable resources.*

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