

Transmission Access Review
Industry Seminar
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BERR

Introduction

1. 2020 Challenge
2. TAR – objectives and progress
3. Renewable Energy Strategy – context and timing.
4. Conclusions

2020 Challenge

“It is clear that over the next decade and beyond Britain will need to raise very significantly the proportion of our energy from renewable sources and we must start planning for this now.”

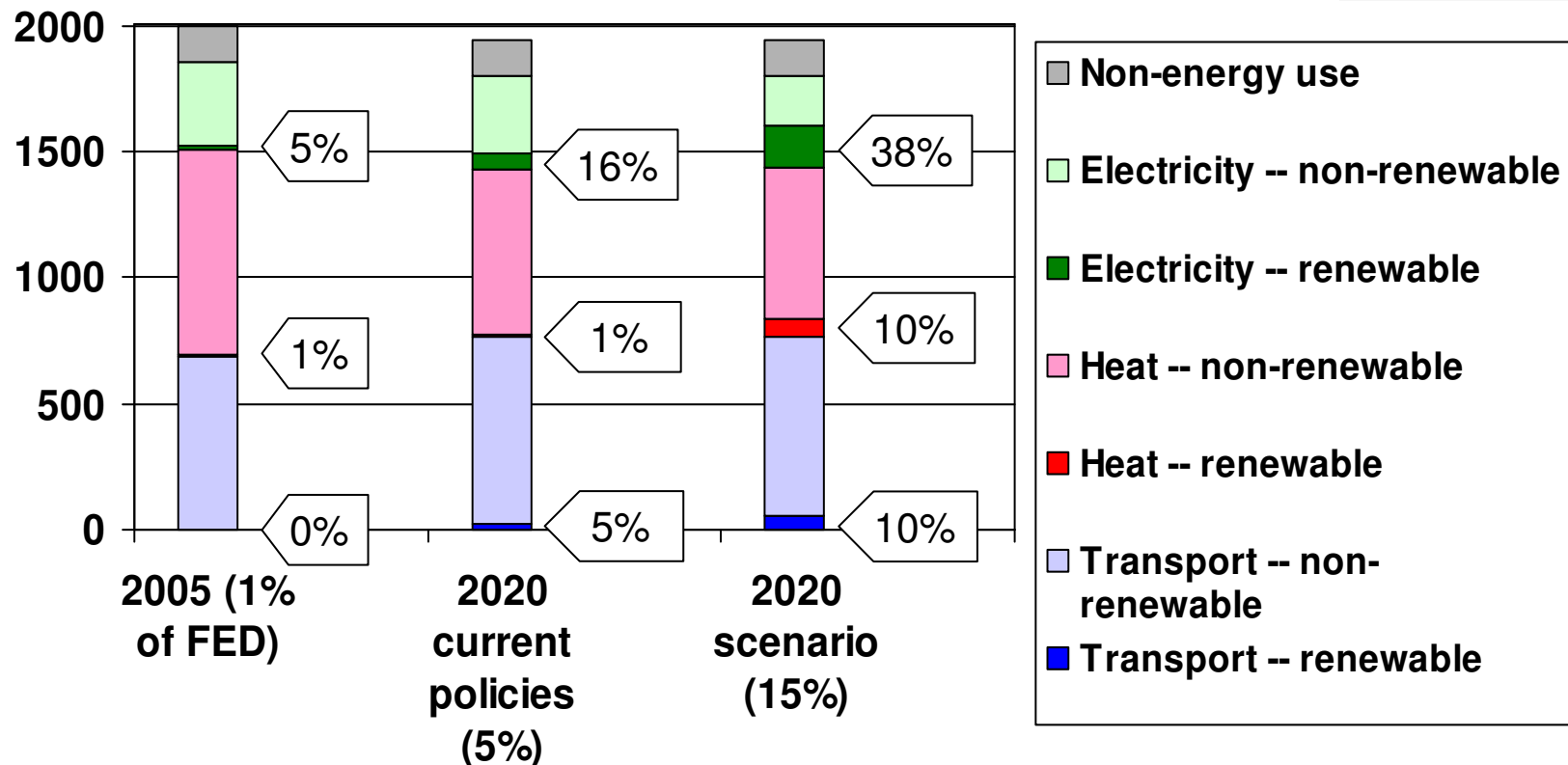
Gordon Brown 19th November 2007

The challenge: a 10-fold increase in renewable electricity and heat by 2020?

UK final energy demand in 2005 and 2020

TWh

*Renewables share
of sector total, %*



Source: DUKES; BERR analysis

Meeting the Challenge

- Planning Bill – IPC and NPS
- Round 3 Offshore SEA
- Banded Renewables Obligation
- Offshore Transmission regime
- Tackling other barriers – aviation
- Transmission Access Review
- Renewable Energy Strategy

Transmission Access Review Objective

- Connect more renewable generation in order to deliver our targets for the amount of renewable electricity supplied.
- This may mean connection offers reasonably consistent with project development programmes.
- Need to consider cost, system reliability, available capacity and investor confidence.

Transmission Access Review

- Interim Report published
- Key conclusions:
 - Real progress on the queue absolutely essential
 - Firm connection dates
 - User commitment
 - The right incentives for transmission companies to deliver on time.
- There are solutions – need to focus on the right one and make progress.
- There may be a case for accelerating renewable connections in the short to medium term ahead of an enduring solution.

Renewable Energy Strategy & Grid

- An unprecedented challenge for our networks – precise numbers for electricity not known, but significantly higher than 20%.
- Only 12 years to deliver.
- The RES will look beyond TAR
- We need to take a view on infrastructure requirements and the access regime.

What is the process?

- Cross-government project
- Active engagement with stakeholders
- Headline timetable:
 - Formal consultation: Summer 08
 - Consultation response/s: Autumn 08
 - Final UK strategy: Spring 09
- National Action Plan to Commission by March 2010

RES - Other Issues

- The potential barriers to deploying more renewables will be considered as part of our strategy for meeting the EU 2020 target.
- **EU Directive** : current draft mandates priority access. We are considering the implications of this in terms of accelerating renewables, system reliability and wider energy policy goals.

Conclusions – Access Reform

- Status quo is not an option
- Need to focus on the way forward based on the work done and industry expertise.
- Industry players understand the detail and are best placed to deliver.
- BUT we need to see genuine and rapid progress.

Conclusions – Delivering Infrastructure

- Planning reform critical BUT still likely to need significant time to build major transmission assets.
- The right incentives to deliver on time or early
- Need visibility of Transmission Companies' plans to inform generator decisions. Dialogue critical
- Likely to mean more preparation ahead of User Commitment