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17<sup>th</sup> September 2004

Dear Mr Lavender

West Coast Energy Ltd welcomes the opportunity to comment on the recently published Final NGT consultation on GB transmission charges methodologies. While supportive of the detailed response from the BWEA and SRF we are concerned about the effects of the proposed charging methodology and resulting charges proposed on the development of renewable energy projects in Scotland.

- 1) As major developers of wind energy projects in Scotland the proposed level of charges could have a severe effect on the projects we are pursuing there and we note in particular that in the Scottish and Southern Energy area they could be almost twice the level under the pre-BETTA charging regime. For a 30MW windfarm Transmission Use of System Charges of over £20/kW/annum, could equate to £600,000/year which when added to a potential community contribution of £5,000/kW installed ie £150,000 equates to a total cost of £750,000 per year which over a 20 year project lifetime equates to a net present value of £6.4 million ( with a 10% discount rate). In addition the industry faces increased rates etc. This will make a number of windfarm projects uneconomic throwing into doubt the achievement of the UK government and Scottish Executive Renewable Energy Targets.
- 2) This situation is exacerbated by the controversial decision by OFGEM to treat 132kV as a transmission voltage in Scotland whereas it is a distribution voltage in England and Wales. This automatically increase the number of projects liable to transmission charges and the high level of charges proposed will further increase the differential between 132kV connected projects in Scotland and England& Wales
- 3) Although mentioned, but not explicitly included in the present consultation, the possibility is raised that distribution system connected projects in Scotland will have to bear high transmission charges, as well as distribution system related Generator Use of System Charges, if they generate more than the minimum summer load at the relevant grid substation. This double 'whammy' would be totally unacceptable.

- 4) We realise that the recent 'Small Generator' consultation and the taking by the DTI of reserve powers in the Energy Bill to apply rebates to projects in peripheral areas may serve to offset the proposed charges. The extent of this offset is an unknown quantity at this stage, but this adds to the general uncertainty concerning BETTA and which is antithetical to the stability required for windfarm developers to obtain financing from Banks etc.

In summary the application of the charging methodology proposed could lead to a major, detrimental impact on the development of renewable energy projects in general but particularly Scotland.

If you wish to discuss any aspect of the above please do not hesitate to contact me.

Yours sincerely

Gerry Jewson  
Director