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Mr Stuart Easterbrook
Transmission Charging Manager
National Grid Company plc
NGT House (Floor C3)
Gallows Hill
Warwick
CV34 6DA

21st May 2004

Dear Mr Easterbrook

Renewable Development Company Ltd welcomes the opportunity to comment on the recently published NGT consultation on GB transmission charges. Whilst significant wind energy project developers, we are not able to comment on the detailed technical aspects of the consultation. These are being dealt with separately by the BWEA and we support their response. However, we write to express our concerns on the potential outcome of the charging methodology and resulting charges proposed on the development of renewable energy projects in Scotland. In our opinion, both scenarios presented in your consultation, result in charges which are unacceptably high in Scottish areas.

- 1) As major developers of wind energy projects in Scotland the proposed level of charges could have a major detrimental 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.
- 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 not 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.

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

A handwritten signature in black ink, appearing to be 'Gerry Jewson', written in a cursive style.

Gerry Jewson
Director