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Dear Mr Ireland

GB ECM-08 – Modification proposal to the Transmission Network Use of System Charging Methodology to introduce charging arrangements associated with Offshore Transmission Networks

BWEA welcomes the opportunity to make a response on the consultation on GB ECM 08 on the modification of the use of system charging methodology for offshore transmission.

Representing 453 corporate members, BWEA is the UK's leading representative for the wind, wave and tidal energy industry. Further information on the work and membership of our organisation can be found on our website, www.bwea.com.

BWEA represents a 'broad church' of interests working in the field of wind, wave and tidal energy. While this response does not represent all the views of its members, a significant number has raised strong views about this consultation and therefore a response is necessary.

BWEA believe that the introduction of an offshore substation locational tariff represents a significant and detrimental change from previous arrangements. This change will create a major additional cost to generators at a crucial moment in the development of the offshore wind industry. A large number of Round 2 projects are about to finalise contracts and start construction and negotiations for Round 3 projects are underway. When considering this background of development, the introduction of new tariffs could have a large impact on the viability of many projects. BWEA would argue that this is not the correct time to be considering additional charges to the industry and a sudden change to the regime.

When developing the offshore regime one of the guiding principles has been that the onshore and offshore regimes would follow similar rules. By localising the cost of substations for the offshore regime this equivalence is lost. Regulatory uncertainty hampers the development of offshore wind and so makes the delivery of the Government's targets for renewable energy more difficult. It is illogical to be increasing

the ROC banding for offshore wind from 1 to 1.5 and at the same time increasing charges on the industry. BWEA feel this tariff should be reconsidered in the wider framework of costs and incentives.

I hope these comments are useful and would be happy to discuss them further if required.

Yours sincerely

Peter Madigan
Offshore Renewables Development Manager
BWEA