

Energy UK response to BEIS Consultation on Treatment of Non-Mainland GB Onshore Wind Projects

27th January 2017

About Energy UK

Energy UK is the trade association for the GB energy industry with a membership of over 90 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 26 million homes and every business in Britain. Over 619,000 people in every corner of the country rely on the sector for their jobs with many of our members providing lifelong employment as well as quality apprenticeships and training for those starting their careers. The energy industry adds £83bn to the British economy, equivalent to 5% of GDP, and pays over £6bn in tax annually to HMT.

Executive Summary

Energy UK and our members welcome the opportunity to respond to the Department for Business, Energy and Industrial Strategy's (BEIS) consultation into the Treatment of Non-Mainland GB Onshore Wind Projects. As the Department will be aware a number of our members are looking to invest in island wind and we believe that the industry would benefit from the certainty of policy that this consultation will hopefully provide.

Non-mainland GB onshore wind projects differ from mainland wind projects in a number of ways. The most significant differences relate to the fact that non-mainland GB Onshore Wind projects are separated from the UK electricity grid by the sea and therefore developers face significant costs relating to the marine transmission connection and any onward transmission connection on land to link to the National Grid.

Questions

1. Should non-mainland GB onshore wind be considered a separate technology from onshore wind more generally?

Energy UK does not have a position on this so please refer to the submissions made by our members for the answer to this question.

2. We would be interested to hear if you believe there are specific barriers/costs/issues associated with non-mainland GB onshore wind? If you believe there are, please provide evidence.

Non-mainland GB Onshore Wind projects differ from mainland wind projects in a number of ways, such as development costs, and wind yields. The most significant difference relates to the arrangements for transmission charging as stipulated under CMP213 (available [here](#)) and arises because non-mainland GB onshore wind projects are separated from the UK electricity grid by the sea. As a result, a non-mainland GB onshore wind developer must pay for both the marine transmission connection and any onward transmission connection on land to link to the National Grid. This is similar to the charges offshore wind face and is very different to the charges mainland wind projects face, which have very short connections and do not directly face charges for large transmission investments.

As a result, the economics, benefits and characteristics of non-mainland wind projects are very different to mainland wind projects.

3. If you have set out any specific challenges for non-mainland GB onshore wind projects, do you consider there to be other measures outside of the CfD scheme that could be adopted by the Government, or others, to remedy these challenges? What would these measures be?

Energy UK considers that the CfD is the appropriate mechanism for bringing non-mainland onshore wind projects to market. Island wind should be given the opportunity to compete in a CfD auction to provide best value for consumers through the CfD auction process.

For more detail about the questions posed within the consultation document please refer to the responses submitted by our members.

Should you have any questions regarding this consultation response then please do not hesitate to get in touch via the details below.

I can confirm that this response may be published on BEIS's website.

Yours sincerely,

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