



Early Competition Team
National Grid ESO

Sent by email to:
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Date

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Contact

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Dear NGENSO's Early Competition Team,

Early Competition Plan: Phase 3

ScottishPower Renewables (SPR) is part of the ScottishPower group of companies operating in the UK under the Iberdrola Group, one of the world's largest integrated utility companies and a world leader in wind energy. ScottishPower Renewables is responsible for progressing the deployment of onshore wind projects in the UK and Ireland, and offshore windfarms throughout the world, managing the development, construction and operation of all projects.

We currently have over 40 operational windfarm sites with over 2.7GW of installed capacity throughout the UK and Ireland, including our recently commissioned 714MW East Anglia ONE offshore windfarm and a share in the 389 MW offshore windfarm West of Duddon Sands. In addition, we have a substantial development portfolio of onshore windfarms in the UK and Ireland and offshore wind projects in the East Anglia Zone. SPR is also actively developing battery storage projects in Ireland and UK, including Gorman 50MW stand-alone battery participating in volume capped DS3 services and a co-located Battery Energy Storage Systems, Whitelee 50MW, aiming to enter into the Dynamic Containment frequency response service and balancing mechanism.

Impact on Net Zero

SPR agrees with the principle of opening competition in networks, but we must stress that this should only be done in a way that increases, or at the very least maintains, efficiency without compromising the speed of decarbonisation. The proposal raises concerns regarding the potential impact on renewable generation businesses and the way connections can be facilitated in a timely manner, coming at a time when green recovery and the programme to deliver Net Zero needs a clear pathway to success. Routes to market for generators require a large degree of certainty that infrastructure will be of sufficient capacity and be delivered within a specified timeframe prior to a generator's ability to fully commit to investment.

Impact on Timeframes

The current timeframes being proposed in the plan, coupled with a wide and undefined criteria of investment threshold, cause us to believe that the plan may unintentionally add further layers of complexity that will be in detriment to facilitate and accelerate the network reinforcements required for the expected renewable generation background. Furthermore, given the increase on the number of stakeholders participating and the novelty of the Early Competition Plan, the process could be open and subject to disputes while new participants get acquainted to their new roles and responsibilities. We are concerned the way they

disputes are progressed in this new framework will be another reason for cause to extend delivery timescales.

Consumer Impact

We noted in our response to Ofgem's RIIO-T determinations our concern that the benefits were based on short term aspirations with a limited view to efficiencies and corresponding consumer savings. This was with respect to infrastructure and therefore the parallels are relevant. We believe that a longer-term view of consumer savings is required, including a commitment of suitable and timely infrastructure investment that works in harmony with customers (e.g. generators and suppliers) and the framework they operate within. The Early Competition driver for 'keeping prices as low as possible' must have a forward-looking approach and must take into account the consequential impacts on other parties such as generators which will ultimately feed through to customer bills.

System Security

We also want to highlight the potential implications of having parts of the network built and operated by market participants new to the requirements and importance of system security and stability. Incumbent Transmission and Distribution Operators have expertise and experience in undertaking construction and operation of the grid in a coordinated approach. This involves appreciation and a care of duty to neighbouring networks with a holistic and dynamic concern for the overall status the GB-wide network. We believe the Early Competition Plan needs to ensure that the system security is not compromised when new players own and operate disaggregated parts of the network. Meaningful and appropriate incentives must be enabled to ensure a coordinated and holistic approach is maintained across GB-wide network operation.

In conclusion, where Early Competition is necessary, we would emphasise the importance for the processes to be efficient, streamlined and to provide certainty to renewable developers.

We would welcome discussion on any of the above and if you have any questions in relation to this response, please do not hesitate to contact me directly.

Yours faithfully



Ricardo Da Silva
Grid & Regulation Manager