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| **From:** | Daniel Sandbrook <daniel.sandbrook@tusc-ltd.com> |
| **Sent on:** | Friday, December 1, 2023 4:59:33 PM |
| **To:** | Electricity Network Charging <ElectricityNetworkCharging@ofgem.gov.uk> |
| **CC:** | Steve Gist <steve@tusc-ltd.com> |
| **Subject:** | TUSC Response to OfGEM Open Letter on IDNO Regulation |
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Thank you for the opportunity to respond and provide our thoughts and comments on your open letter on IDNO regulatory arrangements. As a consultant that deals with major demand and generation projects, we, like you, have seen a huge shift in the role of IDNOs since their introduction in response to changes in the industry necessitated by the drive to reach Net Zero. While IDNOs were never envisaged to work with generation or storage schemes, the benefits they are able to bring to these projects meant it was only natural that customers would explore this alternative to the traditional network operator connection route.

Noting this, we agree that the relevant regulations need to be reviewed and updated to accurately reflect this evolving role.

In response to the questions, our observations are as follows:

**1/ What do you consider to be the pros/cons of IDNOs connecting EHV customers embedded within distribution networks?**

If, for whatever reason, a DNO chooses to offer a point of connection at the EHV voltage tier then it is only right that the customer should be able to take advantage of competition in connections all the way back to that connection point. Experience shows that, in the majority of cases, these connections get energised more quickly which is helped by the positive, customer focused and agile nature of the IDNO business model. As a rule, IDNOs can identify and help implement competitive value engineering options which, when combined with asset value, helps to offset or negate their overall connection costs.

**2/ What do you consider to be the pros/cons of IDNOs connecting directly to the transmission network?**

Many of the points mentioned above hold true for this question as well. In addition, if the country is to achieve its Net Zero ambitions, then it is vital that IDNOs are engaged as part of that solution. TUSC have examples of previous, otherwise viable, large scale solar generation projects whose only impediment to connection is the lack of proximity to GSPs. Furthermore, the way that securities are currently applied to projects causes a huge barrier to entry which can be aided by the use of an IDNO.

We look forward to seeing what comes of your considerations and are happy to discuss our comments and participate in any other industry discussions on this topic.

Regards

Dan

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