

Jonathan Brearley
Chief Executive, Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

21 February 2020

Dear Jonathan,

I am writing to congratulate you on your appointment as Chief Executive of Ofgem and I wish you every success in your new role.

We are delighted that you will be speaking at our Annual Conference in March and we welcome the commitments made by Ofgem in the recently published Decarbonisation Action Plan¹. Our members are at the forefront of working to decarbonise our energy system and we look forward to supporting Ofgem in achieving the ambitions outlined within the document.

While we welcome the progress being made by Ofgem in recognising their role in achieving net-zero, we have deep concerns that the recent decision taken on the Targeted Charging Review is not compatible with the Decarbonisation Action Plan. We have previously raised concerns² that the outcome of these reforms will be particularly detrimental to the renewables industry. This will slow the future deployment of the renewable generation that will be crucial to meeting our climate targets. In light of this, ensuring that the outcome of the ongoing Access and Forward-Looking Charges review supports the achievement of our net-zero target is crucial.

In collaboration with RenewableUK, we have recently commissioned research by Baringa LLP to understand the cumulative impact of the ongoing reforms to network charging. The initial analysis shows that while there may be some positive outcomes from the Access and Forward-Looking Charges reforms, these will not be enough to outweigh the negative impact that the

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https://www.ofgem.gov.uk/system/files/docs/2020/02/ofg1190_decarbonisation_action_plan_revised.pdf

² <https://www.scottishrenewables.com/publications/sr-consultation-response-targeted-charging-review/>

6th Floor, Tara House, 46 Bath Street,
Glasgow, G2 1HG
☎ 0141 353 4980 📧 @ScotRenew
www.scottishrenewables.com

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A company limited by guarantee in Scotland No.200074
Registered office: c/o Harper Macleod,
The Ca'd'oro, 45 Gordon Street, Glasgow G1 3PE

Targeted Charging Review will have on generators. These negative impacts will particularly fall on generators located in Scotland.

Before the publication of our report, Scottish Renewables would welcome the opportunity to share this analysis with Ofgem officials so that we may work collaboratively to ensure that the reforms align with Ofgem's commitment to decarbonisation.

And once again, congratulations on your appointment.

Yours sincerely

A handwritten signature in black ink that reads "Claire Mack". The signature is written in a cursive, flowing style.

Claire Mack
Chief Executive