



Melton Renewable Energy UK PLC

22nd March 2017

Melton Renewable Energy UK PLC (“MRE UK”)

Electricity Prices from April 1, 2017 and Embedded Benefits

During March 2017 under the terms of the BG Landfill Gas PPA the electricity price to be received for the 6 months commencing April 1, 2017 was set at £41.64 per MWh. The comparative electricity price for the 6 months commenced April 1, 2016 was £30.02 per MWh.

On March 1, 2017 Ofgem published a minded to decision to change electricity transmission charging arrangements for embedded generators such as MRE UK. The proposals will effectively remove approximately 90% of the current triad benefit from embedded generators by 2020. Such revenue amounted to around £4.6m for MRE UK in 2015/16. It is proposed that this change will be phased in equally over three years between 2018 and 2020. We are extremely disappointed with Ofgem’s position and what we see as a retrospective change which will penalise incumbent generators. We shall be responding to the consultation.

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