

## **Additional Information for Developers of Distributed Generation Schemes**

We require land rights to install our equipment on privately owned land. This includes equipment placed on the development site and may also include equipment placed on adjacent third party owned land (including land owned by the developer's landlord). This applies to Distributed Generation schemes much in the same way as it applies to other new connection schemes.

In addition to the guidance already provided in this booklet, we've outlined the most common criteria for acquisition of land rights, and the type of agreement we will need in each case.

### **Criteria for Onsite Consents**

On some occasions developers may lease land for their development. When developers negotiate their lease it is important that they are aware of the land rights we will need before the connection is made.

The scenarios below outline the majority of cases which we see, and the land rights we will need:

1. When we install a high voltage switching station on the developers site, we need a leasehold transfer of either one day less than the developer's headlease or twenty-one years (whichever is greater) with an option to renew the same terms upon expiry of the lease. In this scenario, we recommend that developers include rights to assign or underlet the land under the terms of their headlease so that they may grant us a sublease for the required term.
2. The above guidance also applies when we need to install high voltage switching equipment in a building leased by a developer.
3. When we install a substation that could be used to connect other customers we will need either a freehold or a long leasehold transfer that may exceed the proposed term of the developer's headlease. In this scenario the developer may wish to exclude the substation land from their lease, although they may wish to include provisions requiring their landlord to grant us a freehold or long leasehold transfer for nil consideration. Developers may also wish to make provisions requiring their landlord to grant other rights (such as a right of way and cable easement) over the retained land (i.e. not included within the lease) for nil consideration.

### **Criteria for Offsite Consents**

It is important that developers are aware that there are occasions where third party landowners and/or occupiers are unwilling to grant us land rights on our standard terms, and that they may require additional recognition payments. For example, they may believe that they are entitled to a payment that reflects the commercial nature of the scheme that requires a connection rather than a payment that merely reflects a sum equivalent to the financial loss that would be suffered as a result of the grant. On these occasions we are not liable for any

non-standard payments to third party landowner(s) and occupier(s) and that such payments are the sole responsibility of the developer.

It is also important that developers are aware that the statutory process for acquiring compulsory land rights is extremely time consuming, is not guaranteed to be successful and may be extremely costly to the developer. This is because the process involves lengthy preparation for a public hearing by an inspector appointed by the Secretary of State for Energy and Climate Change and the payment of the Inspectors costs. For this reason, developers should consider exhausting all other design options and negotiations with third parties before instructing us to pursue the compulsory land rights process.

**Please note that we cannot energise our equipment until land rights are legally secured together with any other licences and permissions. Developers should also note that agreement of the heads of terms is not sufficient for this purpose.**