



Sam Cope
Policy Manager, Regulatory Regime Development
Ofgem
9 Millbank
London
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12th February 2010

Dear Sirs,

Consultation on the Offshore Grid Regime

AREVA T&D are one of the top three global manufacturers and suppliers of high and medium voltage electrical equipment and systems. We have been actively involved as a supplier to a number of UK offshore wind farms and recognise the UK as a key global leader in offshore wind development.

We welcome the opportunity to comment on the latest consultation document.

Section 6. Facilitating Competition

Q. Do you consider that supply chain exclusivity should be permissible under the enduring regime? If not, do you have proposals for enforceable measures for precluding it?

We do not consider that any measures can or should be placed on the supply chain to prevent exclusivity. We do not believe that applying measures would further open what is already an open and global market.

Entering exclusivity agreements at an early stage exposes the supply chain to developer's risks, including the possibility that a project may not proceed to planned timescales or may not proceed at all. This is not a risk that the supply chain may necessarily wish to take. We believe that existing market dynamics will determine the optimum timing of supply chain exclusivity.

Maintaining an Option for Developer to Construct

Whilst aware that this is not strictly part of the latest consultation we feel it important to register our concerns. As a member of the supply chain we place significant value on a "pipeline" of opportunities being visible in order for us to develop confidence in the market and to anticipate, plan and invest for future demand. Ours is a global market and in this context the UK is competing worldwide for a finite resource. In the short term, we are concerned that the introduction of the enduring regime will create significant delays to existing projects that fail to qualify as transitional.

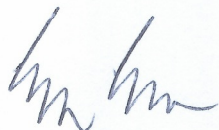
T&D

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In the longer term, we consider that withholding from a developer the possibility to construct restricts choices and denies access to the developer community's significant financial and human resources and experience.

We believe that within the enduring regime developers should be allowed the option to construct the transmission assets before transferring to an OFTO.

Yours faithfully,



G. N. Graham
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