

## Information Note

25 June 2013

### **OFGEM ANNOUNCES SHORTLIST FOR WEST OF DUDDON SANDS OFFSHORE TRANSMISSION ASSETS**

- **Tender attracts strong competition for offshore transmission assets**
- **Four shortlisted bidders, including one new entrant, progress to final stage**

Ofgem has today announced a shortlist of four bidders competing to own and operate the offshore transmission links to the West of Duddon Sands windfarm.

Shortlisted bidders go through to the final bid stage where Ofgem will appoint the Offshore Transmission Owner (OFTO) to own and operate the £311m\* transmission assets for the next 20 years.

The competitive tender process run by Ofgem has resulted in strong competition for the West of Duddon Sands transmission assets and will ultimately ensure that the windfarm developer is partnered with the most efficient and competitive bidder.

Ofgem expect to be able to announce details of the preferred bidder for the project in spring 2014.

The West of Duddon Sands transmission assets are being tendered under the second transitional tender round of the OFTO regime, which totals £1.4 billion of transmission assets.

The next tender round using the generator build model, Tender Round 3 (TR3), is expected to launch later in 2013.

#### **The shortlisted bidders are:**

- Balfour Beatty Equitix Consortium (a bidder group comprising Balfour Beatty Investment Ltd and Equitix Ltd)
- Blue Transmission (a bidder group comprising Macquarie Capital Group Ltd, Barclays Infrastructure Funds Management Ltd, Mitsubishi Corporation and Frontier Power Ltd)
- John Laing Investments Ltd
- Transmission Capital Partners (a bidder group comprising Transmission Capital Partners Limited Partnership and International Public Partnerships Ltd)

*\*This is the current assessment value and is subject to change.*

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## Note to Editors

1. Details of the Transitional Tender Round 2b project - West of Duddon Sands:

Project	Developers	Initial Transfer Value	MW
West of Duddon Sands	Scottish Power Renewables, DONG Energy	£311 million	389

2. The West of Duddon Sands Offshore Wind Farm, located in the East Irish Sea, comprises 108 wind turbines with a total installed capacity of 389MW.
3. The offshore regulatory regime was developed by DECC and Ofgem and was launched in 2009. The regime is for licensing offshore electricity transmission and uses competitive tendering to ensure that the cable connections are delivered on time and at a reasonable cost. It is the first time that Ofgem has used competitive tendering in this way.

The regime is being delivered in two parts, transitional and enduring. The transitional regime involves two tender rounds, opening the way for transmission licencees to own and operate transmission assets for offshore renewable projects which have been or are being constructed by an offshore generator. Future tenders will fall under the enduring regime which will enable Ofgem to run tenders for projects where:

- Offshore Transmission Owners (OFTOs), design, build, operate and maintain the transmission assets; or
  - Generators build the transmission assets and then transfer them to OFTOs at construction completion.
4. Ofgem expect the next tender round, Tender Round 3 (TR3), to launch in later in 2013.

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