



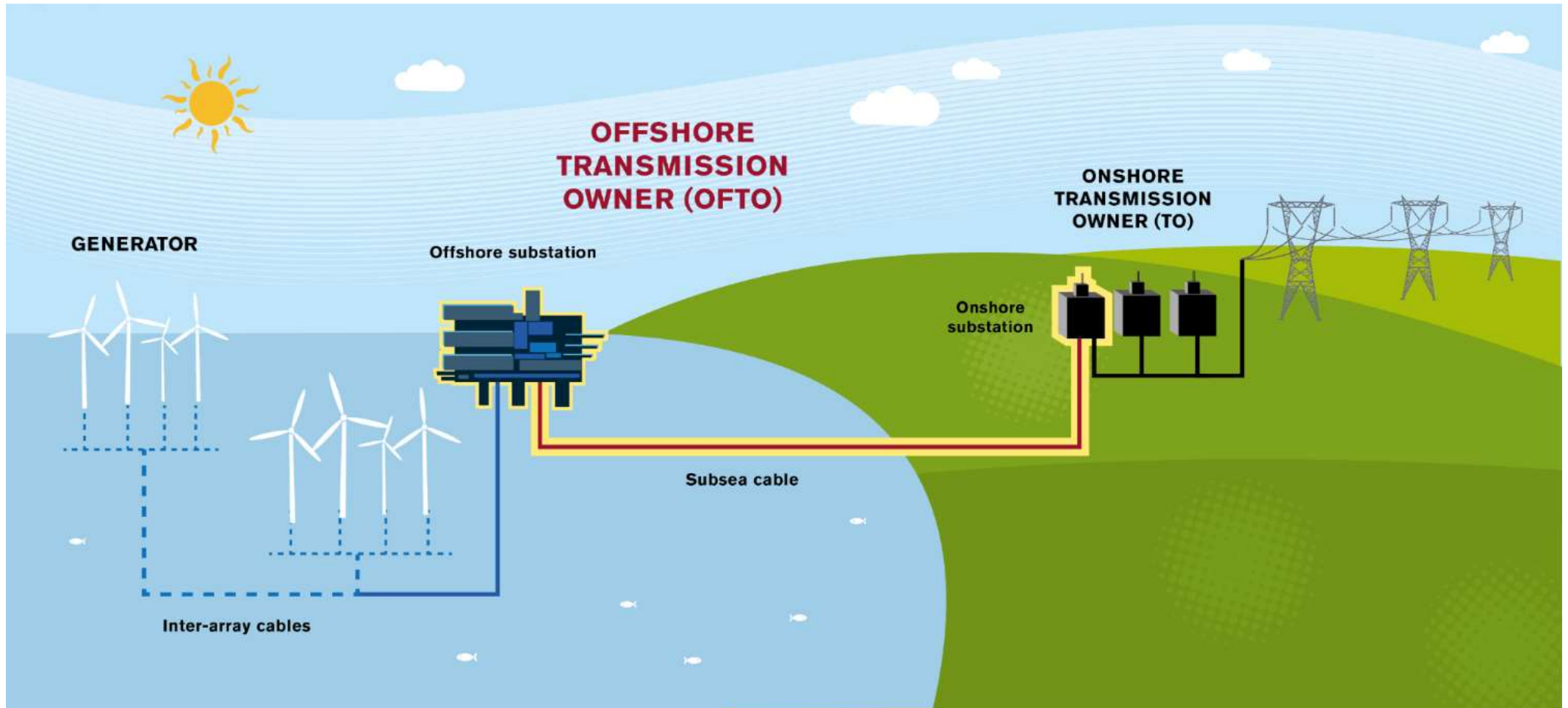
**Offshore Transmission Owner (OFTO)
Tender Round 10 Launch
26 January 2023**



Welcome to the launch of OFTO Tender Round 10

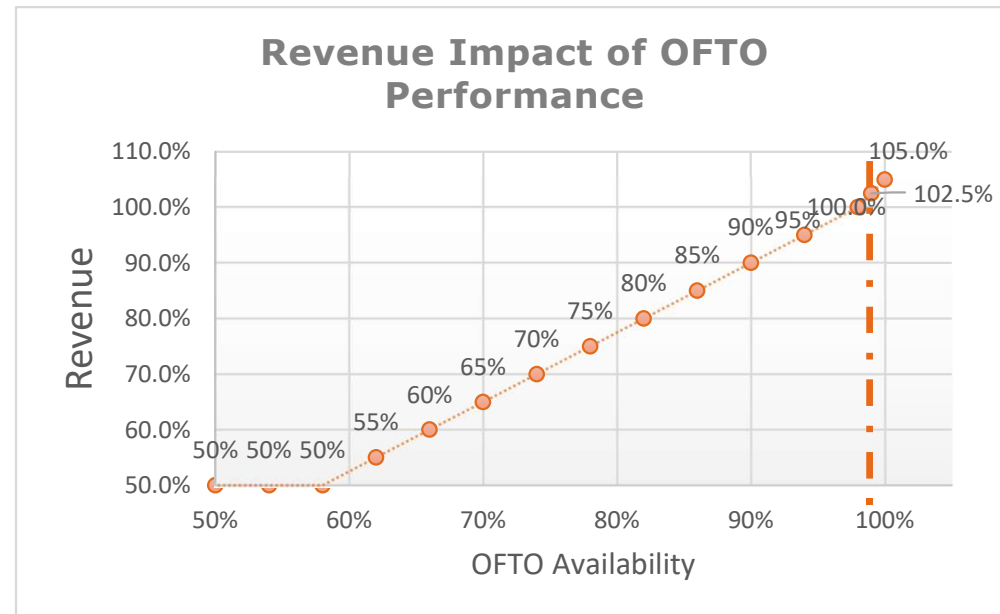
- Webinar is not being recorded by Ofgem
- Slides and documents will be available online
- Questions in chat box please

Time	Speaker	Subject
1000 - 1005	Jennifer McGregor, Ofgem	Welcome, housekeeping
1005 - 1015	Rebecca Barnett, Ofgem	Opening address
1015 - 1032	Sean Payne, Ofgem	OFTO Tender Round 10 process
1032 - 1040	Kate Mingay, Smith Square Partners Adam MacDonald, Centrus Advisors	OFTO investment overview
1040 - 1050	Jennifer McGregor, Ofgem	Questions on tender process and investment features
1050 - 1105	Isaac de Araujo Tavares, Dogger Bank A Matthew Seed, Dogger Bank A James Cattell, Dogger Bank A	Overview of Dogger Bank A assets Questions
1105- 1120	Fiona Thomson, NnG Matthias Haag, NnG Thomas Upton, NnG	Overview of NnG assets Questions
1120- 1135	Nicolas Lescal, Project Manager, Moray West	Overview of Moray West assets Questions
1135 - 1150	Jennifer McGregor, Ofgem	Final Question session
1150 - 1200	Sean Payne, Ofgem	Observations, thanks and close



Tender Revenue Stream

What the OFTO will receive to operate and maintain the OFTO assets for a defined period of up to 25 years



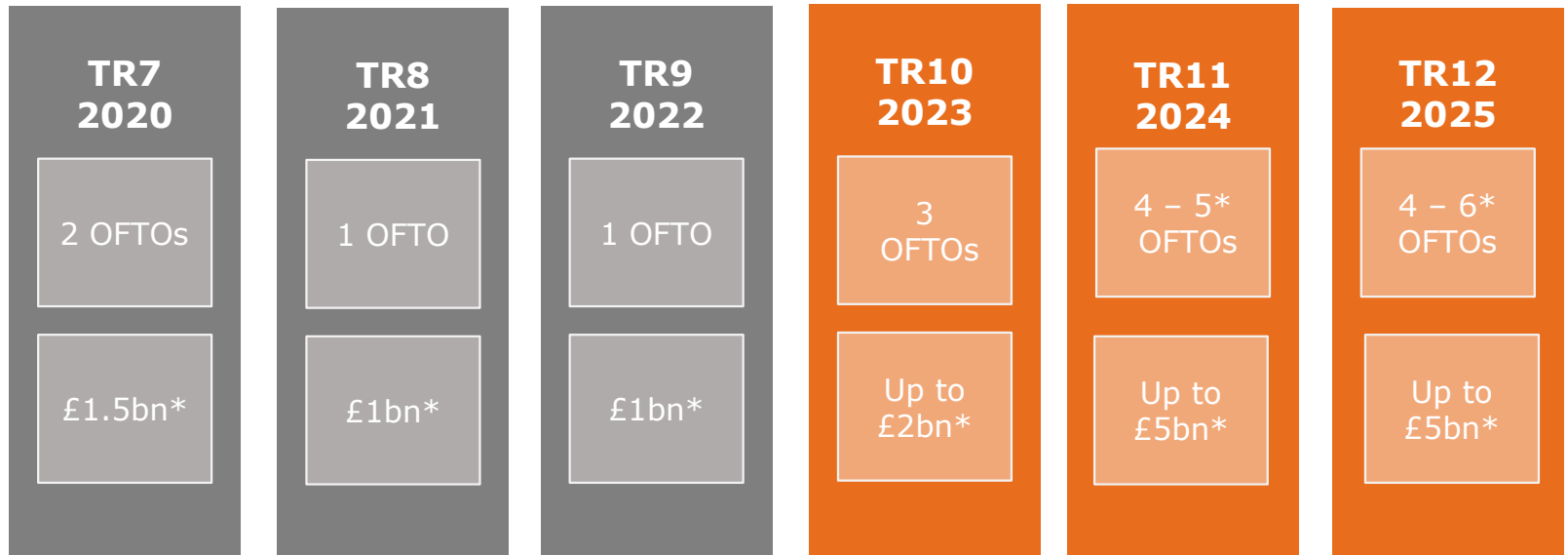
Income is unaffected by output of wind farm

Payments are subject to bonuses/penalties for over/underperformance against the target of 98% availability
Maximum annual penalty capped at 10%

Average availability over 99%

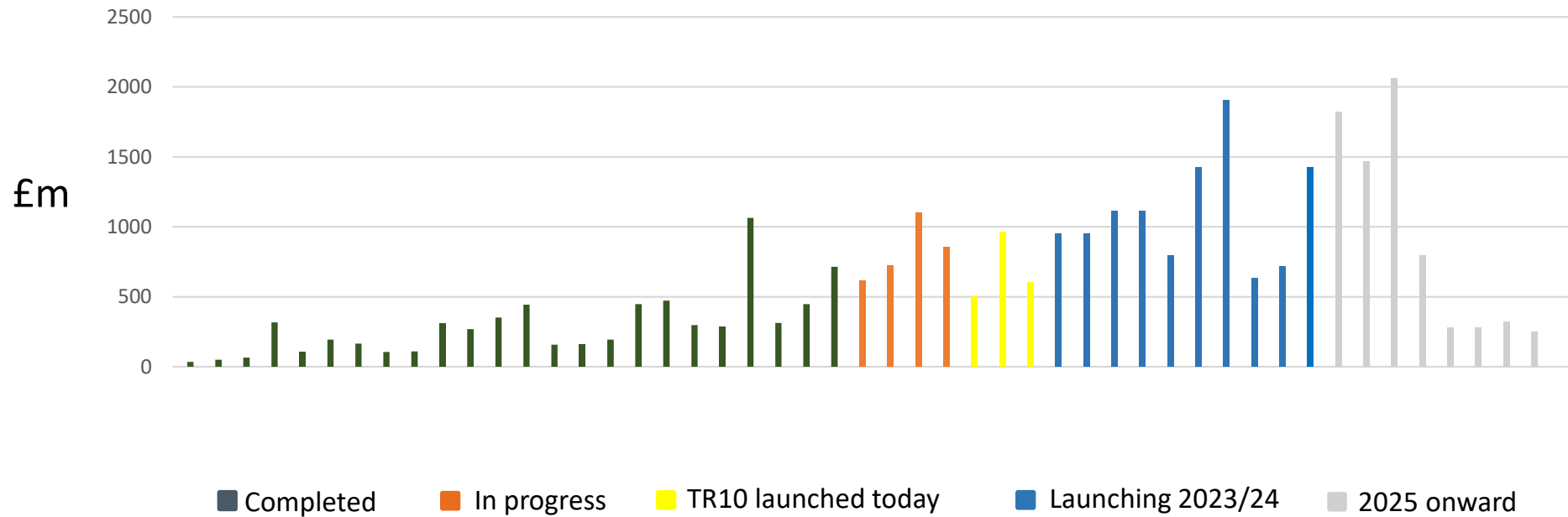
Each OFTO Tender Round comprises one or more OFTO projects

Qualification for participation in a Tender Round allows (but does not require) bidder to compete for all the OFTOs in that round



13* OFTOs
across three tender rounds
over three years
Totalling over £10bn*

*Estimates



Stages of the tender process

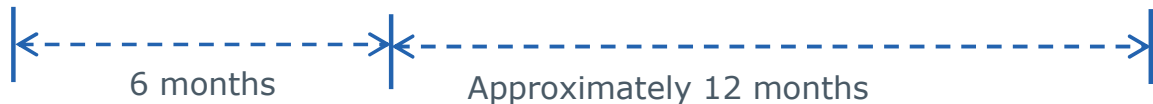
- Enhanced Pre-Qualification (EPQ)
- Invitation to Tender (ITT)
- Preferred Bidder (PB)
- Successful Bidder (SB)

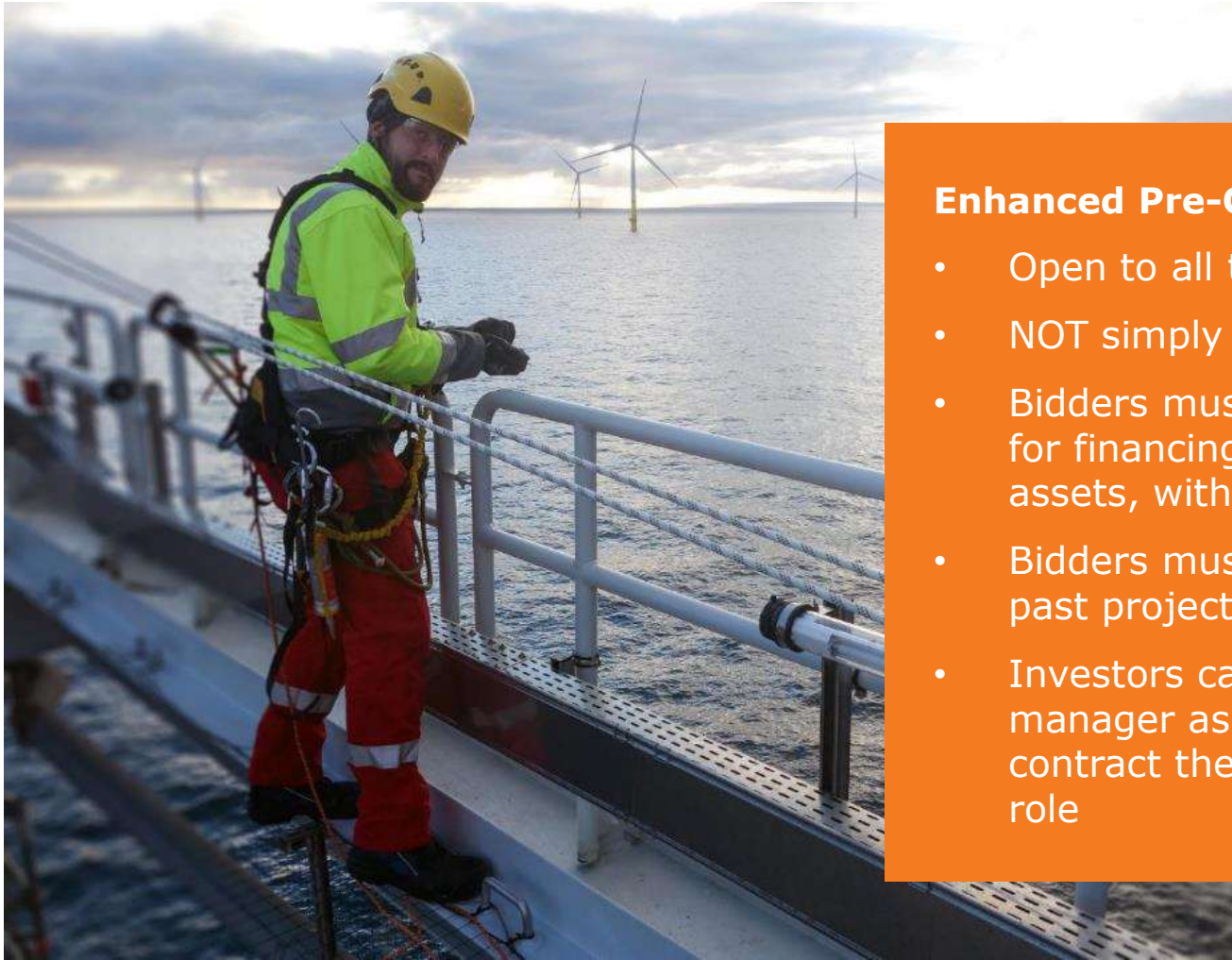
Typical tender process timelines



One EPQ per Tender Round

Multiple transactions per Tender Round





Enhanced Pre-Qualification (EPQ)

- Open to all to submit an EPQ bid
- NOT simply an expression of interest
- Bidders must set out their initial proposals for financing and managing the OFTO assets, with supporting evidence
- Bidders must show relevant experience on past projects
- Investors can involve an engineering asset manager as a consortium member, or contract their services to undertake that role

Financial standing – bidder solvency; experience of raising capital

Technical standing – experience of asset takeover; experience of managing infrastructure assets

Prospective approach to asset takeover, management and operations, funding, risk management

Invitation to Tender

- Qualifying bidders invited to participate
- ITT questions based on project specific assets, supported by electronic data room of information to undertake asset due diligence
- Questions evaluated on pass/fail basis, with lowest Tender Revenue Stream (TRS) winning

Asset takeover

Ongoing operations

Statutory and regulatory compliance

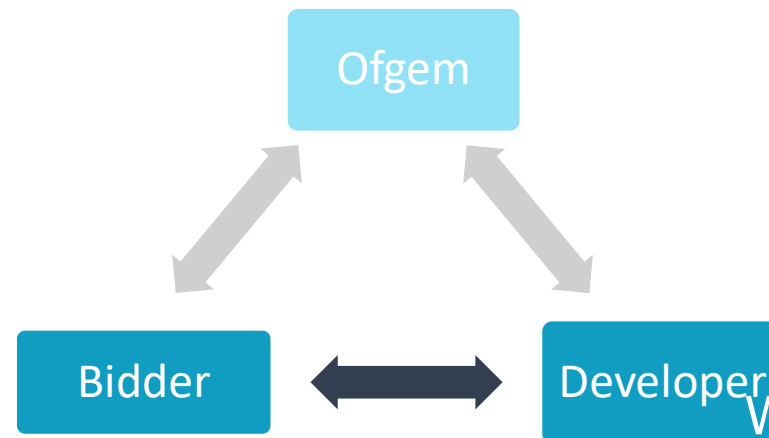
Decommissioning

Financial deliverability

Insurance

Tender revenue stream

Preferred Bidder



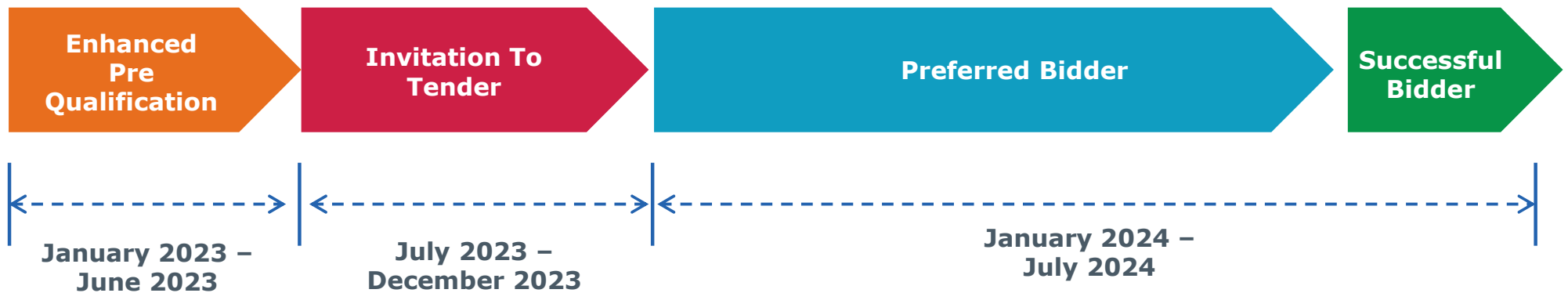
Successful Bidder

- **Licensing**
- **Financial close**

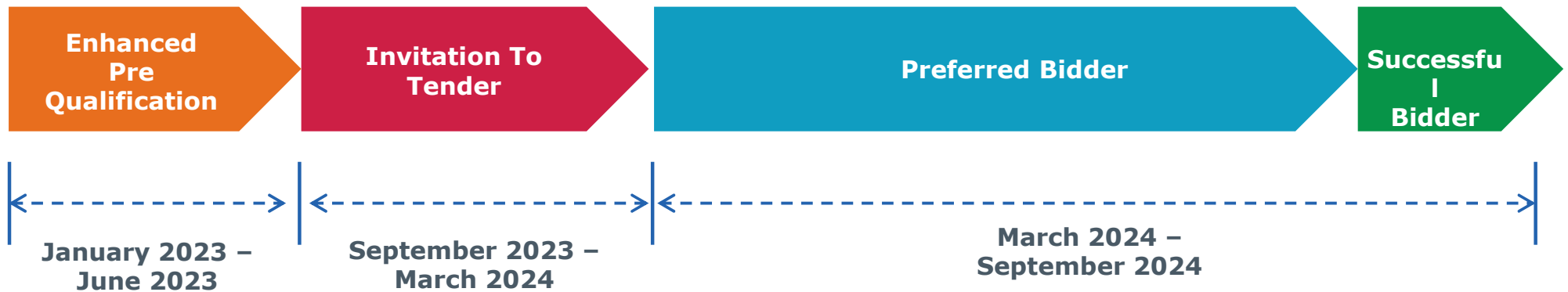
Dogger Bank A

Wind farm capacity: 1200MW

Initial Transfer Value: £960.1m



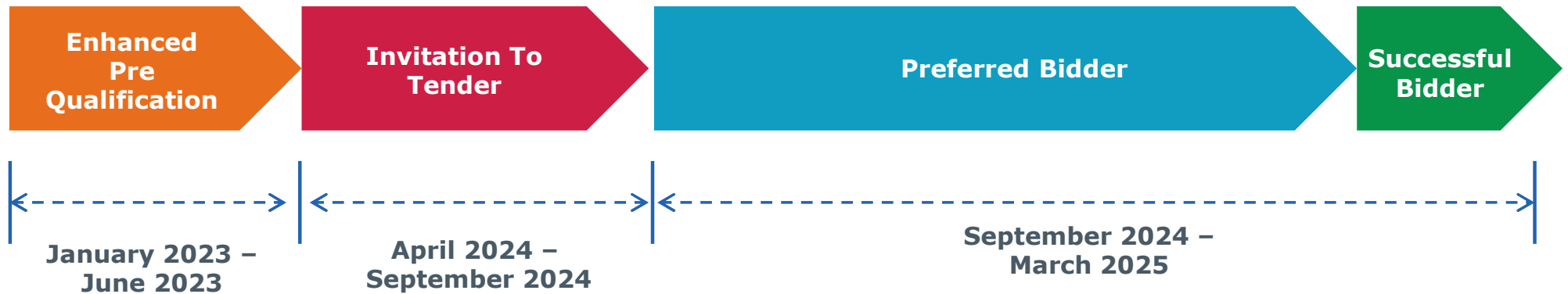
Neart na Gaoithe (NnG)
Wind farm capacity: 448MW
Initial Transfer Value: £495.1m



Moray West

Wind farm capacity: 860MW

Initial Transfer Value: £592.8m





- **Greater Market Engagement**
- **EPQ Master Classes**
- **Evolution of the EPQ and ITT**