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FAO: Offshore Coordination Team
Submitted via email: offshore.coordination@ofgem.gov.uk

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**Revised Minded-to Decision and further Consultation on
Delivery Models in Pathway to 2030**

Dear Cher-Rae, Viljami and Richard,

We refer to the aforementioned consultation issued 15th December 2022 and welcome the opportunity to provide a response.

WindGrid is a subsidiary of international electricity transmission utility Elia Group, the 5th largest transmission utility in Europe. WindGrid develops, builds, owns, and operates offshore transmission infrastructure and leverages Elia Group's decades of experience in offshore transmission infrastructure gained through its subsidiaries Elia and 50Hertz, transmission system owners and operators in Belgium and Germany, respectively. Elia Group's experience covers HVAC and HVDC radial connections – including the 1GW NEMOLink – and multi-purpose interconnectors such as Kriegers Flak, the Ostwind 1+2 modular offshore grid (MOG), and the development of (artificial) energy islands as transmission hubs in the North Sea and Baltic Sea.

WindGrid supports the extension of choices available to developers in the delivery of non-radial offshore transmission solutions. Crucially, the *late OFTO* delivery option provides developers with an alternative pathway to deliver non-radial transmission assets. However, in circumstances where a developer opts for the *late-OFTO* model, it is critically important that the OFTOs become actively involved in the project very early in the pre-construction phase. We elaborate on this point in our response below.



WindGrid supports the extension of the AI policy within the PT2030 workstream. The AI mechanism is useful in enabling some *very late OFTO* projects – that might otherwise have been delayed – to progress in a timely manner. However, we are concerned that the *very late OFTO* model and AI together will fail to mitigate all developer-developer interdependency risks. We elaborate on this point in our response below.

Comments to Specific Consultation Questions

Q1. Do you support the introduction of a late competition OFTO build model for non-radial offshore transmission assets?

WindGrid is supportive of the late OFTO-build delivery model being introduced into the PT2030 workstream. We would, however, emphasise the importance of the OFTO being involved as early as possible in the pre-construction phase, i.e., as soon as the project has been consented. This allows the OFTO to be active in the detailed engineering and specifications, and to lead the procurement process. We see this early involvement as being crucial in ensuring a seamless transition of responsibilities from the developer to the OFTO and, in so doing, enabling the timely delivery of the transmission assets. The late OFTO model also provides comfort to developers required to connect to future OFTO assets insofar as OFTOs represent trusted 3rd parties safeguarding detailed / operational design, and thus ensuring fair competition in view of Contract for Difference Allocation Rounds.

WindGrid also sees merit in the *early OFTO* delivery model which streamlines the front-end phases of the project lifecycle (single interface between the TSO and the OFTO) and enables a holistic approach to offshore transmission system design to be taken, including incorporation of MPIs. The early OFTO model is likely to attract specialist developers with core competencies that include the financing and delivery of integrated offshore HVDC transmission assets. However, we recognise that developing the regulatory framework required to facilitate the early OFTO model will require additional work/consultation and as such potentially jeopardise delivery of the affected PW2030 projects in accordance with policy objectives. In this respect, WindGrid looks forward to the opportunity to advocate for the implementation of an early OFTO delivery model within the Future Frameworks.

Q2. Do you support the extension of AI policy to the projects within scope of the PT2030 workstream?

WindGrid supports Ofgem's proposal to extend the AI policy to projects within the scope of the PT2030 workstream and considers the policy useful in enabling some very late OFTO projects, which might have otherwise been delayed, to progress.

However, we are concerned that the *very late OFTO* model and AI together will fail to mitigate all developer-developer interdependency risks, e.g., a deadlock situation may develop whereby one or other developer is unwilling to take on the role of *lead* developer, delays may occur due to restricted communication/data flows between competing developers etc. In circumstances where coordinated developers are reliant on each other for the delivery of non-radial offshore transmission assets, inherent interdependency risks will continue to exist and threaten the timely delivery of these assets.

Q3. Do you agree with the proposed mechanics of charging to take account of coordinated infrastructure?

No comment.

Yours Sincerely,



Christophe Durieux
Head of Business Development
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