

Stuart Borland  
Deputy Director, Offshore Network Regulation  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

09 December 2022

Dear Stuart,

**Offshore Transmission Owner (OFTO) Licence Amendment Consultation (11 November 2022)**

I am writing to you on behalf of Transmission Capital Partners (“TCP”) in response to the above Consultation, regarding proposed changes to the OFTO licences for the nine TCP transmission assets, (including Robin Rigg, Gunfleet Sands, Barrow, Ormonde, Lincs, Westernmost Rough, Dudgeon, Beatrice and Rampion).

TCP is also preferred bidder on two further transmission assets; East Anglia One and Moray East, for which licences are yet to be issued. We understand that these will be the subject of a future consultation on the same matters.

TCP are supportive of the proposed changes to the licence, subject to Ofgem providing clarity around the following:

- [redacted]
- Extending the principle of allowances for incremental investments as per condition E17

[redacted]

**Extending the principle for allowing incremental investments**

We would also welcome the opportunity to discuss how the clarification of the Incremental Investment incentive could be further broadened, beyond meeting obligations under E17. For example, TCP has identified there is no clear route for OFTOs to secure cost recovery for investments to maintain compliance with the SQSS (an obligation in the STC) that result from changing system background conditions. Where such issues have been identified in advance, we have sought specific Contingent Event adjustment e.g. Beatrice, where investment works to address sub synchronous voltage oscillations on the NETS to recover costs or expenses incurred as a result. As the OFTOs become more integrated through initiatives like Offshore Coordination, and the drive to connect via fewer onshore substations, there is increasing likelihood of wider system issues impacting on OFTO networks. Yours sincerely,

[redacted]

**Chris Veal**  
Director