

9<sup>th</sup> December 2022

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

Dear Stuart

**Consultation on proposed modifications to Offshore Transmission Licences**

We set out below our response to the Authority's consultation on proposed modifications to offshore transmission licences dated 11<sup>th</sup> November 2022 (the **Consultation**).

[redacted]

**Incremental Capacity Arrangements**

We are supportive of the proposed modifications to ASC E12-J4 Part C of all OFTO licences to make it clear that an OFTO can seek to recover costs where the OFTO has entered into an agreement with the system operator under SLC E17 and the OFTO incurs costs as a result of that construction.

Regarding the subject as to how the cost recovery process in ASC E12-J4 Part C would work in practice and also how/whether an OFTO can be protected for any outages necessary to facilitate increased capacity on the offshore transmission system, we would suggest: As with the response to point 2 above, the forecast costs of any planning and investment works should be agreed in advance between the Authority and the OFTO. This will allow for the OFTO to be paid in advance for these works, with any underspend or justified overspend taken into account at the next regulatory reporting period. As with the response to point 2 above, any outages required shall be classified as 'Generator required outages' and so negate the need for the OFTO to submit an EE claim.

We are supportive of the Authority's proposals in this respect.

Please do not hesitate to contact me if you wish to discuss any aspect of this response.

Yours sincerely

[redacted]

Jemma Sherman  
**Director of Greater Gabbard OFTO plc.**