

Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Email to: RIIO3@ofgem.gov.uk

17th December 2024

Dear Margaret Riach,

Response to Ofgem's consultation on the proposed Electricity Transmission Advanced Procurement Mechanism (APM).

EDF is the largest low carbon energy generator, as well as the only nuclear generator in the UK. EDF operates low carbon nuclear power stations and has a large and growing portfolio of renewables, including onshore and offshore wind, solar and energy storage. EDF has a large customer base and will be integral to Britain achieving net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

We welcome the opportunity to respond to this consultation on the proposed APM. Our response is set out below.

Overall, we are supportive of the introduction of an APM in the Electricity Transmission price control in RIIO3. By broadening the range of projects that can receive suitable upfront procurement funding, it will help to ease supply chain constraints and support the rapid buildout of transmission infrastructure. We also support the design of the APM as a use-it-or-lose-it ex ante scheme which should incentivise the TOs to use this mechanism more fully.

We welcome further scrutiny from Ofgem that the Transmission Operators (TOs) will take the opportunities to utilise the APM to ensure the wider system can meet the targets set by Government's clean power plan. We also support Ofgem's proposal to consider the retrospective inclusion of spend in the APM for existing projects given how near the 2030 transmission requirements are, so long as they meet the requirements stated in the consultation. As above, we welcome a proactive approach by Ofgem to avoid unnecessary caution by the TOs.

We note that Ofgem could potentially allow for a wider scope for the APM to focus on strategic procurement instead of only focusing on those projects which are facing supply-chain constraints. We welcome the opportunity for the APM to expand its scope at some point to help TOs further expand their network, provided that appropriate stranded procurement risk mitigations are considered. We specifically support the introduction of the APM for bespoke projects, which face their own specific supply chain constraints and would benefit from this scheme.

We look forward to continuing to work with Ofgem in the post-consultation stages. Should you wish to discuss any of the issues raised in our response or have any queries, please contact me or Matthew Ball at Matthew.Ball2@edfenergy.com.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'AM Cox'.

Mark Cox
Head of Nuclear and Wholesale Market Policy