Offshore Transmission: Cost Assessment for the Seagreen Wind Energy Limited (SWEL) Offshore Windfarm Transmission Assets

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This document sets out the cost assessment for the Seagreen Wind Energy Limited (**SWEL**) Transmission Assets (the **Transmission Assets**). This assessment of costs will be used by the Gas and Electricity Markets Authority (the **Authority**) to determine the value of the Transmission Assets to be transferred to the successful bidder in the tender process.

The Final Transfer Value of the Transmission Assets is established as £621.2m. This value has been published in the licence consultation under section 8A of the Electricity Act 1989 (the **Act**), and we do not expect any further changes to the Assessed Costs. However, we do not intend to finalise the Final Transfer Value until the Authority has determined to grant an offshore transmission licence to the successful bidder.

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Executive Summary

This report sets out the cost assessment work that Ofgem has undertaken from the Invitation to Tender (**ITT**) stage of the tender process in relation to the Seagreen Wind Energy Limited (**SWEL**) Transmission Assets (the **Transmission Assets**). This work has been used by the Authority[1] to derive the Assessed Costs and will be used to set the Final Transfer Value (**FTV**) for the Transmission Assets. Unless otherwise stated or defined in-text, capitalised terms in this report are defined in the Glossary at Appendix 3.

The cost assessment process involves the below three key stages:

- The Initial Transfer Value (**InTV**) for the Transmission Assets was published in the preliminary information memorandum on 14 December 2021[2] and was set at £633.3m, based on information provided to Ofgem by SWEL (for the purposes of this report, the **Developer**);
- Ofgem reviewed and analysed the cost information and calculated the Indicative Transfer Value (**ITV**) as £588.0m. This updated calculation was communicated to the Developer in December 2022 and the formal ITV letter issued in April 2024; and
- The Developer submitted their FTV CAT dated 12 May 2023 with a value of £668.6m (the **FTV CAT**). Ofgem reviewed this further cost information to calculate the final assessment of costs as £621.2m (the **Assessed Costs**). This is a reduction of £47.4m from the submitted FTV CAT. It is intended that the incoming Offshore Transmission Owner (**OFTO**) will be able to obtain the full benefit of all available capital allowances. Therefore, the final Assessed Costs of £621.2m is the amount that will be used to set the FTV at licence grant.

The key components of the InTV, the ITV and the FTV, together with the Developer's submission (the FTV CAT) are set out in Table 1 below.

[1] References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work.
[2] Available at: www.ofgem.gov.uk/publications/offshore-transmission-tr9-generic-preliminary-information-memorandum

Table 1: Summary of costs components*

Category	InTV	ITV	FTV CAT	FTV
	Dec 21 (£m)	Dec 22 (£m)	May 23 (£m)	Sep 24 (£m)
Capex	514.3	472.5	546.8	542.5
Other	46.3	26.2	37.5	20.1
Contingency	0.0	13.0	0.0	0.0
Transaction	2.5	2.5	2.6	2.6
IDC	70.20	73.9	81.7	56.0
Total	633.3	588.0	668.6	621.2

**These figures may not add to totals due to rounding*

Sections 3.15 – 3.103 of this report set out details of the Assessed Costs and any reductions made to the values submitted in the FTV CAT and against the ITV. The main increases/decreases in the Assessed Costs, against the ITV figures, are as follows:

a) the capital expenditure (**Capex**) component of the FTV has increased by £70.0m;
b) the ”other” cost category have decreased by £6.1m;
c) the ITV contingency amount of £13.0m was removed in its entirety;
d) the Interest During Construction (**IDC**) amount decreased by £17.9m; and
e) the transaction costs have increased by £0.1m.

Below we summarise the main increases and decreases to each cost category as shown in Table 1 and detailed in sections 3.15 – 3.103. Please note that the figures set out in this section have been rounded.

Capital expenditure (CAPEX)

The Capex of the FTV has increased by £70.0m since ITV. The main drivers for the cost increase are:

a) Petrofac and Nexans variation orders and additional claims,
b) Accurate and more reflective project staff costs,
c) Accurate and more reflective land agreements costs,
d) Better evidenced generator allocation methodologies.

Other costs

We allowed £26.2m of Other costs in the ITV. This has decreased by £6.1m to £20.1m at the FTV. The majority of the movement in this category relates to the reallocation of staff costs to other cost categories, as well as the removal of Third Party Liability insurance and financial advisory costs.

Contingency

We allowed £13.0m of contingency in the ITV. This was re-itemised by the Developer in the May 2023 CAT submission as actual costs. This has now been removed in its entirety from the FTV as it has been released or realised at this stage of the transaction.

Interest During Construction

The IDC amount has decreased by £17.9m since the ITV. This overall decrease in IDC is the result of negative adjustments for disallowed costs, the extended duration prior to Financial Investment Decision (**FID**), and changes to the method for when each of the circuits are considered available for use.

Transaction costs

Transaction costs have increased by £0.1m since the ITV to £2.6m. The transaction costs are composed of both internal and external resource costs arising from the Developer's participation in the tender process.

Assessed Costs and FTV for the Transmission Assets

In accordance with Regulation 4(2)(b) of the Tender Regulations, the Assessed Costs of the Transmission Assets are £621,239,514. The Assessed Costs will be used as the FTV in accordance with Regulation 4(8) of the Tender Regulations.

1. Introduction

Context and related publications

1.1 In 2009, the Government introduced the regulatory regime for offshore electricity transmission to connect significant amounts of renewable offshore generation to the onshore electricity network (**the OFTO regime**).

1.2 OFTOs are appointed through a competitive tender process (the **Tender Process**). OFTOs are granted an offshore transmission licence (**OFTO Licence**) with a fixed revenue stream for a specified time.

1.3 From the outset, the OFTO regime has encouraged innovation and attracted new sources of technical expertise and finance, whilst ensuring that grid connections are delivered efficiently and effectively.

1.4 The Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015 (the **Tender Regulations**) provide the legal framework for the tender process. The Tender Regulations require the Authority to calculate, based on all relevant information available to it, the economic and efficient costs which ought to be, or ought to have been, incurred in connection with developing and constructing the offshore Transmission Assets in respect of a qualifying project.

1.5 Where the Authority has determined to grant an OFTO Licence for a particular project, the assessment of costs must be used by the Authority to determine the value of the Transmission Assets to be transferred to the successful bidder. This value will be reflected in the revenue stream in the granted OFTO Licence.

1.6 This report should be read in conjunction with the "Offshore Transmission: Guidance for Cost Assessment" (the **Cost Assessment Guidance**[3]).

Related Publications

- The Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015 | Ofgem
- Offshore Transmission: tender process Guidance Document for TR9 | Ofgem

[3] https://www.ofgem.gov.uk/sites/default/files/2022-03/Offshore Transmission Guidance for Cost Assessment 2022.pdf

2. The Cost Assessment Process

Section summary

The Tender Regulations require the Authority to calculate, based on all relevant information available to it, the economic and efficient costs which ought to be, or ought to have been, incurred in connection with developing and constructing the offshore Transmission Assets in respect of a project. This section sets out the process that Ofgem followed in carrying out the cost assessment for the Seagreen offshore transmission project (the **Project**).

Overview of the cost assessment process

2.1 The Tender Regulations provide the legal framework for the process we follow for granting offshore electricity transmission licences. This process includes calculating the economic and efficient costs of developing and constructing the offshore Transmission Assets to be transferred to the new OFTO.

2.2 The calculation of those costs shall be:

a) where the construction of the Transmission Assets has not reached the stage when those Transmission Assets are available for use for the transmission of electricity, an estimate of the costs which ought to be incurred in connection with the development and construction of those Transmission Assets; and

b) where the construction of the Transmission Assets has reached the stage when those Transmission Assets are available for use for the transmission of electricity, an assessment of the costs which ought to have been incurred in connection with the development and construction of those Transmission Assets.

Cost assessment principles

2.3 The cost assessment principles, the reasoning for such principles, and the overall process we have adopted can be found in the Cost Assessment Guidance.

2.4 We have applied these principles in our cost assessment process for the Project and, where appropriate, have taken into account project-specific circumstances.

2.5 The remainder of this section describes some of the key elements of the cost assessment process. Section 3 provides the detail as to how these have been applied to the specifics of the Project.

Data collection

2.6 To undertake cost assessments, we gather and review a range of information and supporting evidence. These relate to the forecast and actual costs of developing and constructing the Transmission Assets that will transfer to the OFTO. Detailed cost information is provided by the Developer in the form of cost assessment templates, contract values, asset cost schedules and cashflows. The Developer also provides supporting evidence to substantiate its cost submissions including, amongst other things, contract documentation, supplier payment lists, invoices and receipts.

2.7 We work closely with the Developer to gather information relating to the following cost categories in the development and construction of the relevant Transmission Assets:

a) capital expenditures;

b) development costs;

c) contingency provisions;

d) interest during construction; and

e) transaction costs.

Process stages for cost assessment

2.8 The cost assessment process involves the key stages described below.

Initial Transfer Value (InTV)

2.9 The InTV value is based on cost submissions by the Developer for the relevant project. This value is made available to bidders at the Pre-Qualification or the Enhanced Pre-Qualification (**EPQ**) stage of the tender process. The letter we send to the Developer at this time indicates that the calculation might be updated as a result of any further information provided by the Developer and our continuing analysis.

Indicative Transfer Value (ITV)

2.10 We provide the estimate of costs for the Transmission Assets (the **ITV**) for the commencement of the Invitation to Tender (**ITT**) stage of the tender process. This value is used as an assumption underlying the Tender Revenue Stream (**TRS**) bids submitted by bidders at the ITT stage. The ITV letter we send to the Developer at this stage confirming the ITV indicates that the calculation might be

updated as a result of any further information provided by the Developer and our continuing analysis.

Assessed Costs

2.11 As soon as reasonably practicable after the ITV has been completed, we are satisfied that the assets are available for use, and we have obtained any further information that we require, we commence the exercise to determine the Assessed Costs.

2.12 Following this assessment exercise, Ofgem sends the Developer a draft cost assessment report (in the form of this report) setting out the amount of the Assessed Costs. This gives the Developer the opportunity to correct factual errors and propose the redaction of commercially sensitive information.

2.13 The draft cost assessment report is also sent to the preferred bidder, to allow it to incorporate the Assessed Costs into its estimate of the TRS payable to the OFTO. This TRS amount, incorporating the Assessed Costs, is published in a consultation pursuant to section 8A of the Electricity Act 1989, by which the Authority proposes modifications to the standard conditions of the OFTO Licence on a project specific basis (the **Section 8A Consultation**).

2.14 The draft cost assessment report is published alongside the Section 8A Consultation. The report remains in draft form until the conclusion of the Section 8A Consultation, and the Authority has determined to grant the OFTO Licence to the successful bidder.

Final Transfer Value

2.15 If a Developer retains some of the benefit of the available capital allowances, we reduce the relevant amount from the Assessed Costs before we derive the FTV. The FTV is confirmed once the Authority has determined to grant an OFTO Licence to the successful bidder. After licence grant, the final cost assessment report and supporting appendices are published on the Ofgem website.

2.16 Ofgem normally finalises the assessment of costs prior to commencement of the Section 8A Consultation. The FTV is taken into account when the TRS for the full licence period is published.

Costs Assessment Analysis

2.17 Throughout the cost assessment process, Ofgem applies two key tests to the cost information submitted by the Developer. These are:

Test 1 – Assessing if a Developer's cost submissions are accurate and allocated appropriately

2.18 As a first test, we check the accuracy of the data provided by the Developer and the appropriateness of cost allocations, in particular, between the offshore generation and Transmission Assets. Throughout the cost assessment process, the Developer provides cost information to us on an ongoing basis. Where we identify discrepancies in how the Developer has allocated these costs, we check with the Developer to assess if they have been allocated to the correct asset category and make adjustments accordingly.

2.19 To support the cost assessment process, we undertake an independent forensic accounting investigation[4].I The scope of this investigation is shared with the Developer in advance. This investigation is based on the final costs that the Developer provides to us and applies to a sample of contract costs. The actual sample for each project varies due to the different contracting strategies adopted by the Developer and the specific needs of the project, but generally focuses on the most expensive contracts and/or contracts that materially increase in cost.

2.20 The forensic accounting investigation scrutinises the cost allocations provided by the Developer. This may indicate the need for amendments to the Developer's submissions to reflect, for example:

a) the actual costs incurred (e.g. in respect of exchange rates on foreign currency payments); and/or

b) more relevant metrics for the allocation of shared service costs.

2.21 Where amendments, in our opinion, are required and, in the absence of further evidence from the Developer to substantiate the original allocation, we incorporate the recommended changes from the forensic accounting investigation.

Test 2 – Assessing if a Developers' costs are economic and efficient

[4] Conducted by our forensic accounting advisors, Grant Thornton UK LLP.

2.22 Under test two we assess whether the costs reported to date by the relevant Developer have been economic and efficient.

2.23 We undertake benchmarking analysis using cost reporting data from other projects. This is used to identify cost outliers reported by offshore Developers. Where cost outliers are identified on a project, these are further reviewed and Ofgem may use external consultants to investigate the reasons for this and evaluate whether the costs are economic and efficient.

2.24 We also consider the procurement processes adopted by the Developer to obtain economic and efficient Transmission Asset costs.

2.25 When undertaking the assessment of costs to derive the FTV, we review updated information provided by the Developer, as well as any cost areas flagged for further investigation at the ITV stage. Where costs have increased since the ITV, we ask the Developer to provide supporting documentation to justify these increases. We may undertake a technical investigation that focuses on, for example, a particular cost component, such as an increase of costs in a contract or multiple increases across several contracts.

3. Seagreen Wind Energy Limited cost assessment

Section summary

This section sets out a short description of the wind farm and the Transmission Assets[5], based on information provided by the Developer. It then summarises how we have undertaken our cost assessment for the Transmission Assets, from the InTV to the FTV and provides a breakdown of the key cost categories that we have considered and highlights the decisions that we have made.

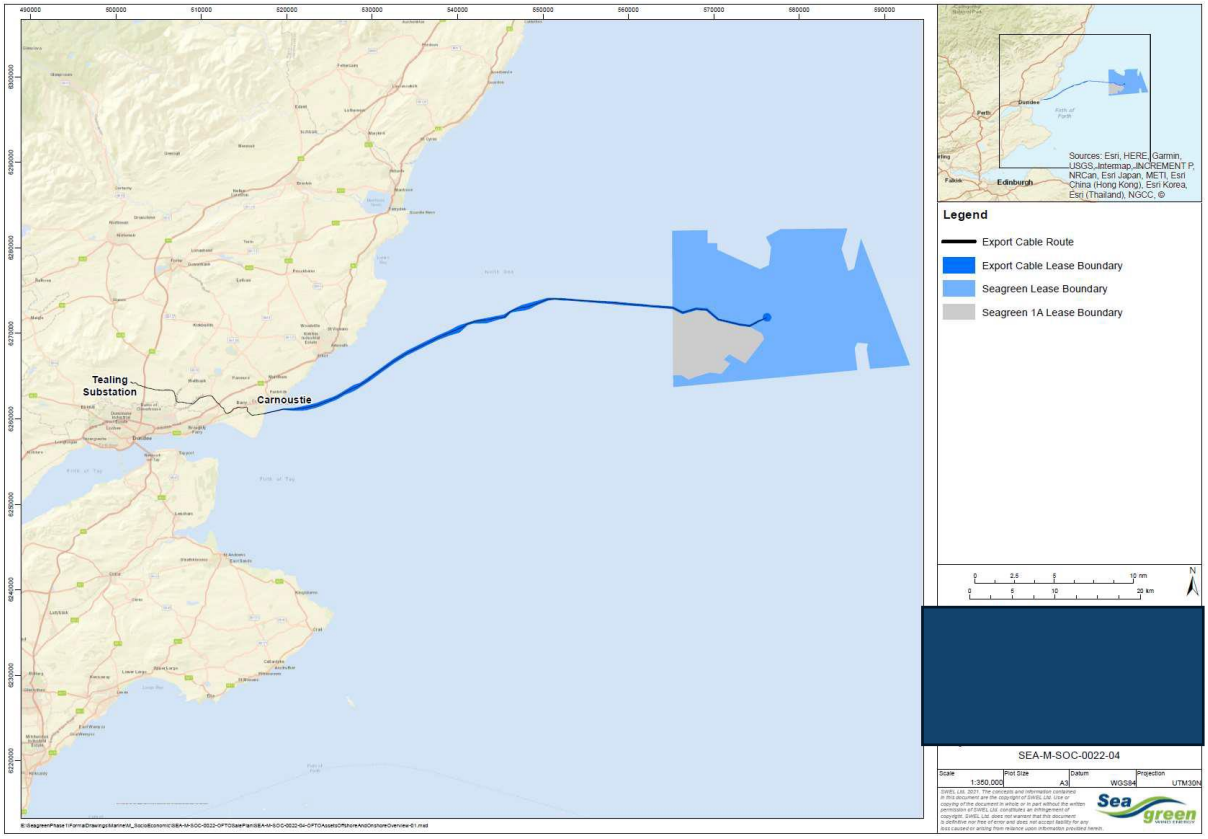
Introduction

3.1 Seagreen Wind Energy Limited (**SWEL**) is located in the North Sea 27km off the coast of Angus, Scotland, with a maximum export capacity of 1,075 MW comprised of 114 Vestas Wind Systems A/S ("Vestas") 10 MW turbines. The Wind Farm output is exported, via 64km of subsea cables and 21km of onshore cables, to the 275/220 kV onshore substation at Tealing. This connects at the Transmission Interface Point (**TIP**) to the adjacent 275 kV Scottish and Southern Electricity Networks (**SSEN**) Transmission (**SSEN-T**) substation eventually connecting to the onshore Transmission Owner's system. For a full list OFTO assets, please refer to Appendix 1.

3.2 SWEL is Scotland's largest and the world's deepest fixed bottom windfarm and can provide enough green energy to power more than 1.6 million homes, the equivalent to two-thirds of Scottish homes.

[5] The technical information contained in this section of the Report is based on information provided by the Developer and has not been independently verified by Ofgem.

Figure 1: Location of the SWEL and Transmission Assets



3.3 SWEL is a joint venture between SSE Renewables (49%), TotalEnergies (25.5%) and PTTEP (25.5%). SSE Renewables led on the development and construction of the windfarm, supported by TotalEnergies, and is the operator.

Overview of cost assessment process for SWEL project

3.4 We received initial cost information from the Developer in October 2021. Since then, we have worked with the Developer and our advisers to reach an assessment of the costs which ought to have been incurred in connection with the development and construction of the Transmission Assets. We set out below an outline of the steps taken, and to be taken, in the cost assessment process for the Project.

a) **October 2021:** InTV (£633.3) published.

b) **January 2022:** Developer submitted the ITV CAT

c) **January-November 2022:** forensic accounting and ITV investigation undertaken.

d) **November 2022:** ITV figure (£588.0) determined and communicated to Developer.

e) **January 2023:** ITT stage commenced (bidding and evaluation).

f) **May 2023:** ITT bid submission.

g) **December 2023:** ITT stage ended; preferred bidder announced.

h) **April 2024:** Developer submits comments on ITV letter, formal ITV letter issued.

i) **June 2024:** final cost reporting updates and supporting information received for the FTV from the Developer.

j) **November 2024:** this draft cost assessment report released to the Developer for comment and the Preferred Bidder for information.

k) **January 2025:** draft cost assessment report published alongside the Section 8A Consultation.

l) **TBC:** The Authority to determine the FTV when granting the licence to the successful bidder. The final cost assessment report will be published after licence grant.

Summary of the InTV and ITV determination

3.5 The InTV of £633.3m was published in October 2021. This value was based on information received from the Developer at an early stage in the construction and development of the Project. This value was included in the EPQ document and Preliminary Information Memorandum (**PIM**) for the commencement of the EPQ stage of the Project.

3.6 The ITV of £588.0m was established in November 2022, with the formal ITV letter issued to the Developer in April 2024. Our estimate was supported by our forensic accounting advisors, Grant Thornton (**GT**), our internal analysis, and the supporting information provided by the Developer.

3.7 We conducted an in-depth cost analysis at ITV; however, some costs could not be fully investigated and were highlighted as needing further attention at the FTV stage. This included, but was not limited to:

3.8 costs related to offshore substation generator weight contribution;

- onshore substation (including land costs, and space retained for generator use);
- onshore and offshore cable fibre cost allocations;
- CR8 – 'other' costs (including consenting);

- land costs that had been excluded from the ITV CAT;
- all costs marked in ITV as unsubstantiated (including COVID-19 claims);
- spares for onshore and offshore cable; and

3.9 IDC – first power date(s) and pre-FID duration.

3.10 Please refer to Appendix 2 for the main points arising from our ITV review, the forensic review, and a description of the adjustments made at ITV. Full details are also set out in the ITV letter issued by Ofgem on 9 April 2024 (published separately).

Process for determining the Assessed Costs (FTV)

Accuracy and Allocation

3.11 The Project was constructed using a multi-contract strategy. An ex-post forensic accounting investigation was undertaken by GT to ensure that the costs reported to us by the Developer were accurate, in that they represented the actual costs incurred by the Developer during the development and construction of the Project

3.12 This investigation considered the following two main contracts in respect of the Transmission Assets:

(a) onshore and offshore substation; and

(b) onshore and offshore cable contract.

Efficiency

3.13 After costs had been appropriately identified and allocated, we performed an assessment of whether these costs were economic and efficient, which involved an internal benchmarking review as well as a wider review of costs incurred in each cost category.

Summary of Assessment

3.14 Following completion of the development and construction of the Transmission Assets, the Developer submitted costs in the May 2023 FTV CAT amounting to a value of £668.6m. Our assessment of the economic and efficient costs which have been or ought to have been incurred, in connection with developing and constructing the Transmission Assets, has established an Assessed Costs value of £621.2m. Table 2 below provides a breakdown of the cost categories for the Project at each stage and the changes between the ITV and the FTV stages, and paragraphs 3.13 – 7.0 set out the issues considered as part of the FTV stage.

Table 2: Summary of cost categories*

Category	InTV Oct 21 (£m)	ITV Apr 23 (£m)	FTV Jun 24 (£m)	FTV-ITV Jun 24 (£m unless indicated)	Change between ITV and FTV
Capex	514.3	472.5	542.5	70.0	Increase of: **£9.8** for Land Agreements **£4.7** for Allocated Items on ONSS **£11.9** for OSP weight contribution **£1.0** for Offshore fibre allocations **£0.9** for Onshore fibre allocations **£29.9** for OSP Offshore Claims **£1.1** for OSP Spares **£5.5** for Offshore topside variations **£11.3** for Cable Offshore Claims **£4.4** for Offshore Settled Claims **£0.9** for Onshore Spare Cable **£1.7** for Cable Claims **£0.9** for ONSS Spares **£3.0** for ONSS Onshore Claims **£0.7** for Settled Claims **£18.7** for Staff Cost Reallocations Decrease of: **£5.4** for Land Agreements **£0.7** for Onshore Generator fibre allocations **£10.3** for OSP Offshore Claims **£1.1** for OSP Spares **£4.4** for Offshore topside variations **£7.4** for Cable Offshore claims **£0.9** for Spare Offshore Cable Variations **£0.8** for Onshore Spare Cable **£1.5** for Cable Claims **£0.9** for ONSS Spares **£2.1** for ONSS Onshore Claims
Other	46.3	26.2	20.1	-6.1	Increase of: **£18.6** for Staff Cost **£1.9** for Insurance **£0.3** for Advisory Decrease of: **£5.6** for Staff Cost **£1.0** for Insurance **£1.7** for Advisory **£18.7** for Staff Cost Reallocations

Contingency	0	13.0	0	-13.0	Decrease of: **£13.0** for Contingency used or not realised, reallocated for additional capex costs.
IDC	70.2	73.9	56.0	-17.9	Increase of: **£9.5** for the updated cashflows submitted by SWEL. Decrease of: **£7.3** for SWEL resubmitted cashflows **£3.4** for time to 5% economic & efficiency deduction **£7.4** for adjustment to account for project delays not deemed economic and efficient **£5.4** for an adjustment to reflect the assets being in service over the course of commissioning **£2.2** for adjustment for CAPEX reduction from FTV review
Transaction	2.5	2.5	2.6	0.1	Increase of: **£0.1** for Legal support
Total	633.3	588.0	621.2	33.2	

**These figures may not add to totals due to rounding.*

Capital Expenditure

3.15 The Capex element of the Assessed Costs is £542.5m. Overall, the Capex has increased by £70.0m from the ITV to the FTV stage as set out in more detail in Table 2 above.

Accuracy and Allocation of CAPEX costs

3.16 For the majority of Capex costs incurred on the Project, it was clear whether those costs should be allocated to the Transmission Assets or the Generation Assets in their entirety. For costs shared between Generation Assets and Transmission Assets, the Developer allocated a proportion of costs to the Transmission Assets using the Capex ratio between Generation and Transmission Assets.

3.17 During our assessment we reviewed costs where the Transmission Asset allocations were either not clear or not justified. We requested that the developer reallocate these costs to the correct categories but the information available for them to correctly do this was unavailable at the time. In these occurrences, we applied an allocation methodology based on our best understanding of the costs and any supplementary evidence we were provided. We discussed and refined the methodology in coordination with the Developer.

Efficiency of CAPEX costs

3.18 Most cost categories had an increase in costs. This overall increase is the result of cost updates from the Developer and adjustments applied following our cost review, which are detailed below.

Cross Cutting issues

Land Agreements

3.19 In the Onshore Cable and ONSS cost categories, the Developer has included £11.6m and £7.8m, respectively, for land agreements in their CAT, these correspond to increases of £2.2m and £6.7m, respectively, from the ITV. These land agreements were made to allow the construction of the ONSS and allow for the cable to be installed onshore.

3.20 £2.0m of the £6.7m increase in the ONSS is treated separately below in the ONSS section of this report.

Ofgem's view

3.21 We did not include the forecasted elements of the land agreements. The reason for this was that we did not receive a satisfactory explanation as to why these costs had not materialised, could not be substantiated, and no robust forecasting methodology was provided to justify them as economic and efficient. As a result, we did not include £1.2m for the onshore cable route and £2.4m for the ONSS in the FTV.

3.22 Our forensic accountants, GT, were not able to substantiate the payments to a value of £0.5m for the onshore cable costs and £0.1m for the ONSS. Therefore, these costs have not been included in the FTV.

3.23 As a result, the onshore cable category sees an increase of £3.3m and the ONSS an increase of £2.2m from the values set at ITV.

OSP Weight Allocations, Generator Items on ONSS

3.24 The Developer decreased the portion of the cost allocated to the generator for the OSP and the ONSS, by £12.6m and £4.8m, respectively, due to a change in their allocation methodology. The proposed new methodology is based on studies that were commissioned by the Developer to better understand the costs that the Generator should be allocated.

Ofgem View

3.25 The evidence submitted mostly supported the changes made to the allocation methodology. Ofgem proposed some adjustments to ensure the calculations were in line with previous projects and correct. These changes to the costs allocated to the generator resulted in an overall increase from ITV of £11.9m for the OSP, and £4.7m for the ONSS.

Offshore and Onshore Generator fibre optics allocations

3.26 Between ITV and FTV, the offshore and onshore allocations to the generator for fibre optics increased by £1.0m and £0.3m, respectively. These increases were a result of variations in values associated with cable installation costs, involved in the calculation of these allocations.

Ofgem View

3.27 The calculation of the generator fibre optics allocations depend on the other costs within the Cable costs categories. Ofgem is satisfied that these increases are in line with the variations of these cost categories and the calculations were undertaken correctly and in line with previous cost assessments.

Offshore Substation Platforms (OSP)

OSP Offshore Claims

3.28 Within the OSP cost category, the Developer initially submitted £21.9m for claims costs from their contractor, Petrofac. During the course of our assessment, the Developer proposed increases to the cost of the claims to £29.9m, via evidence papers.

3.29 In general, these costs relate to project delays resulting from COVID-19 and further dependency impacts. In particular, "Category 2" claims covered costs regarding COVID-19 stoppages and standby man-hours, amounting to £0.8m. "Category 4" costs related to a COVID-19 event at the contractor's site, amounting to £0.1m.

3.30 SWEL submitted further Petrofac claim costs incurred due to adverse weather delays. After the program delay due to Covid impacts, SWEL presented a case for the schedule being further delayed due to weather conditions caused by Storm Barra. Standby costs were incurred by SWEL while safe operating conditions were evaluated.

3.31 SWEL submitted a vessels paper claiming costs that arose due to the project schedule changes as discussed above. The justification for these costs centred around the need to reschedule vessel contracts due to unplanned and unforeseen circumstances beyond the contractor's control.

Ofgem's view

3.32 Based on our assessment we allowed £19.6m, resulting in a -£2.4m adjustment to the costs submitted via the CAT or -£10.3m adjustment to the total cost provided by the Developer.

3.33 We did not include two direct COVID claim costs, "Category 2" and "Category 4", due to a lack of sufficient detail to understand the cost make-up (i.e. role, unit rate and hours) used to determine the costs presented. Therefore, we were unable to determine if these costs were economic and efficient and therefore excluded them from the FTV.

3.34 We did not include £7.8m related to adverse weather in the FTV, as SWEL did not adequately evidence a robust and thorough investigation of weather-related risk costs within its decision making and programme scheduling. We did not receive any cost benefit analysis or impact assessments to support the decision making the Developer employed.

3.35 We did not include £1.6m vessel costs, included in the paper, due to insufficient evidence of economic and efficient costs.

OSP Spares

3.36 The Developer submitted £1.1m for OSP spares on the CAT and provided a list of 579 spares. This list included an item description, price, number and supplier.

Ofgem's view

3.37 This list did not include any justification for requirement of the necessity of these spares and included multiple items that would be considered operational and not covered under the OFTO transaction. The inclusion of these spares was not considered economic and efficient. We have not included the full cost of £1.1m due to insufficient evidence of economic and efficient costs for spares.

Offshore Topside Variations

3.38 Since ITV, the Developer has submitted £5.5m of additional cost related to topside equipment. £2.8m of which relates to cyber security requirements, £1.4m for additional studies carried out since ITV, and £0.4m for operational platform maintenance.

Ofgem view

3.39 The cyber security cost was split by the Developer between the OFTO and generator, on 75/25 basis for £0.1m of this cost. Regarding the remaining £2.7m, we did not consider this cost to be economic and efficient. Hence, we did not include this in the FTV. This results in a £0.1m increase for cyber security costs.

3.40 After reviewing the studies carried out by the Developer, we identified £0.8m worth of studies that related to generation activities. These costs were not included in the FTV.

3.41 £0.7m of additional studies were deemed to be required for the project to be completed in a timely, economic and efficient manner.

3.42 £0.4m for operational maintenance of the OSP was reviewed and was not considered economic and efficient.

3.43 As a result, the topside variation cost has increased by £1.2m from the ITV.

Submarine Cable

Cable Offshore claims

3.44 The Developer submitted three separate additional cost claims totalling £10.0m within the Submarine cable cost category. During the assessment period, the Developer increased the costs of the claims to £11.3m, as a result of more up to date costs from their contractor, Nexans, becoming available. The three claims are, 'Intertidal claim' (£4.8m), 'Manufacturing claim' (£0.7m), and 'Offshore claim' (£6.7m).

3.45 Due to ongoing negotiations, no additional information in relation to two of the three cost claim categories, 'Intertidal' and 'Manufacturing', was provided to Ofgem during the assessment period.

3.46 The third claim category was 'Offshore Claim', and this included costs related to acquiring additional guard vessels.

Ofgem's view

3.47 Due to the ongoing negotiations, the 'Intertidal' or 'Manufacturing' claim costs were not included £4.8m or £0.7m from the above cost claim categories in the FTV, respectively.

3.48 Regarding the 'Offshore' claim, of the £6.7m provided to us, we included £3.9m as the efficient and economic portion of these costs. This was made up of three principal parts, a project delay (£2.3m) deemed to be economic and efficient, a claim for CTV (£0.2m) which was not justified to be economic and efficient, and a claim for additional guard vessels. The Guard vessel claim was £3.3m, our analysis showed that a premium was being paid for the unplanned additional guard vessels as such we normalised the day rate to the contract guard vessel rate, and removed the unexplained downtime resulting in an adjusted cost of £1.5m, a reduction of £1.8m.

3.49 Therefore, across the three cost claim categories, we did not include £7.5m of the total costs provided by the Developer in the FTV.

Spare Offshore Cable Variations

3.50 Within the FTV CAT, the Developer included the cost of 6.7km of spare cable to be transferred to the OFTO (£3.9m). We identified that the Developer had made an error when populating the CAT and had included costs for onshore spare cable (£0.4m). Therefore, some of the deduction in subsea cable is a reallocation of a portion of the costs to the onshore cable.

3.51 Within the FTV CAT the Developer has included a total of 2.7 km of spare offshore export cable (£3.5m). The Developer stated that 1.7 km of spare cable is required for the longest section between joints.

Ofgem's View

3.52 In relation to the project's spare submarine cables, we have included 1.7 km of spare offshore export cable (£3.0m) against the 2.7 km proposed by the Developer. The Developer provided evidence that this length of offshore cable would be required if a fault occurred in the landfall section of the cable. This equates to a reduction of £0.5m from the total included at ITV.

3.53 We determined the economic and efficient quantity of cable based on our spare cable policy, as set out in the Cost Assessment Guidance and our review of the information provided by the Developer[6]. The Developer was unable to provide project specific information to justify the inclusion of additional spare cable. As a result, we have not included £0.4m for this additional spare cable in the FTV.

3.54 We reallocated the £0.4m of onshore cable to the onshore cable costs below. This results in a total £0.9m decrease into the FTV.

<u>Settled Offshore claims</u>

3.55 The Developer added settled offshore claims to the value of £4.4m.

3.56 This increase was to cover the cost of rock protection required due to the burial depth not being achieved, and the inclusion of two fishery related claims removed at ITV.

Ofgem View

3.57 The rock protection measures taken by the Developer were deemed to be economic and efficient. Leading to an increase of £3.9m from the ITV.

3.58 The Developer did not justify the inclusion of the fishery claims (£0.5m), removed at the ITV, which were not included in the FTV.

[6] Cost Assessment Guidance, paragraph 3.43.

Onshore Cables

Onshore Spare Cable

3.59 Within the FTV CAT, the Developer included 4.0 km of onshore spare cable to be transferred to the OFTO. The length of spare cable included was determined by the maximum length of spacing between joint bays for each cable type. These costs were initially submitted under the submarine cable cost category, but all onshore spare cable costs were reallocated to the onshore cable cost category.

Ofgem's view

3.60 In our cost assessment we set our view on spare cable length we would expect be transferred to the OFTO[7] by a Developer. Where spare cable exceeds our expected length, the Developer is required to provide robust justification on the for the additional length. For SWEL, the Developer was unable to provide project specific information to justify the inclusion of additional spare cable. Therefore, we have allowed 1.3 km of cable for the onshore section and not included 2.7 km of spare onshore cable proposed by the Developer. As a result, we did not include £0.3m of the £0.44m reallocated for the spare onshore cable in the FTV.

Cable Claims

3.61 The Developer submitted three separate additional cost claims totalling £1.7m within the Onshore cable cost category. The three claims are, 'Agreed claims' (£0.4m), 'Manufacturing claim' (£0.7m), and 'Onshore claim' (£0.6m).

3.62 Due to ongoing negotiations, no additional information in relation to two of the three cost claim categories, 'onshore' and 'Manufacturing', was provided to Ofgem during the assessment period.

3.63 The third claim category was 'Agreed Claims', and these included costs related to claims agreed between the contractor and the Developer.

Ofgem's view

3.64 Due to the ongoing negotiations, the 'Intertidal' or 'Manufacturing' claim costs were not included £0.7m or £0.6m from the above cost claim categories in the FTV, respectively.

[7] Cost Assessment Guidance, paragraph 3.43.

3.65 Regarding the 'Agreed claims', of the £0.4m provided to us, we included £0.2m as the efficient and economic portion of these costs. However, we did not include £0.2m of costs relating to the suspension of drilling works at A92 due to contracts not being in place prior to the commencement of work. SWEL should have ensured that all contracts were in place for work to progress without impact.

3.66 Therefore, across the three cost claim categories, we did not include £1.5m of the total costs provided by the Developer in the FTV.

Onshore Substation (ONSS)

Spares

3.67 The Developer submitted £0.9m for spares on the CAT. The Developer provided a list of spares, providing the name, number and cost of each.

Ofgem's view

3.68 We have not included the full cost of £0.9m due to insufficient justification that the spares listed fall within the scope of the FTV as non-operational spares and were procured economically and efficiently, as per our cost assessment guidance.

ONSS Onshore Claims

3.69 Within the ONSS cost category, the Developer submitted £3.0m for claims costs from their contractor, Petrofac.

3.70 These costs were broadly split into four categories: Distribution Network Operator Connection (£0.1m), Absence of DNO Power (£1.9m), Cyber Security Costs (£0.9m) and the remaining unexplained costs (£0.2m).

Ofgem's view

3.71 Based on our assessment we allowed additional costs of £0.9m in the FTV for the £0.9m for cyber security costs. This resulted in a -£2.1m adjustment to the total costs submitted by the Developer for Petrofac Onshore Claims.

3.72 Due to the absence of additional detail or evidence, we were unable to determine that the remaining unexplained costs were economic and efficient. Therefore, we could not include this £0.2m cost in the FTV.

3.73 We did not include £0.1m for additional costs relating to the DNO connection. This cost was not included as it relates to work undertaken to connect the project to the DNO, as the DNO was unable to supply power. This could not be deemed economic and efficient as it did not result in providing the project power because they still required the use of diesel generators.

3.74 We did not include £1.9m for Absence of DNO Power. This cost was calculated by the contractor based on assumptions. However, throughout the assessment period, no data was provided to Ofgem to support these assumptions. As such the calculated value was therefore unable to be substantiated as economic and efficient.

Settled Claims

3.75 The Developer submitted an additional £0.5m for settled claims with their contractor, Petrofac. These claims were for additional cabins to allow for social distancing (£0.2m), additional cleaning costs to comply with Covid-19 regulations (£0.2m), idle time due onsite (£0.1m), and 5% additional costs associated with these claims (£0.1m).

Ofgem's View

3.76 The value of the cabins and cleaning varied throughout the period; the cabin and cleaning costs were normalised to adjust the cost to what it would have been if the cabins were efficiently procured. This resulted in £0.2m in total being included in the FTV.

3.77 The idle time and mark-up costs were not included as these were not justified as being economic and efficient.

Land Agreements

3.78 The Developer included £2.0m for the purchase of shares in a solar park project. The Developer had to "buy-out" the solar park after failing to secure a reservation option or another standard instrument for the land required for the OFTO asset. In the absence of any such option being in place, the land was purchased by the solar park developer, which the Developer then had to "buy-out".

Ofgem view

3.79 We do not consider the purchase of these organisational shares to be economic and efficient costs. This results in an additional £2.0m decrease in the submitted land agreement value.

Reactive

Costs Accepted at ITV

3.80 We accepted the Reactive costs of £22.4m at ITV stage, where the Developer submitted costs for the design, supply, installation, commissioning and project management of the reactive compensation equipment. There has been no change

in the costs since the ITV and we have therefore not made any changes to our ITV position.

Other Costs

3.81 From our cost review we identified that some cost items within the other costs category (i.e. Staff Costs) should have been apportioned between the different CAT cost categories. However, for simplicity, we applied a process of reviewing and adjusting costs prior to reallocating them to the correct cost categories.

Staff Cost

3.82 The Developer initially submitted £16.0m of Staff Costs within their CAT. During our review of the costs, the Developer increased the total cost to £25.6m. This increase was due to the Developer gaining a better understanding of the costs during our assessment. The evidence provided to support the updated costs outlined a range of activities that were aimed to support staff in the delivery of the project.

Ofgem's View

3.83 In our assessment, we reviewed the different elements of the staff costs and requested further evidence to support these as economic and efficient costs. We arrived at the following view below.

3.84 Direct Staff Costs – The Developer was requested to provide a detailed breakdown of the staff rates it charged to the project. We were not provided this level of evidence, and as such, we consider that the staff unit costs have a 10% uplift/mark-up as seen on other projects. We therefore removed a 10% value to account for the uplift/mark-up, resulting in £5.5m being included in the FTV, a reduction of £0.8m from the Developer's FTV submission.

3.85 In the FTV, we have included the £14.7m submitted by the Developer for 'TOTAL Energies Staff Cost', 'Travel, Transport and IT costs' and 'Contractor Fees' without any adjustments. This was because the Developer provided adequate timesheets, invoices and role descriptions to show that the cost was economic and efficient.

3.86 We have not included the £4.7m submitted by the Developer for 'Corporate Service Charge & Office Fees' and 'Forecast Staff Costs'. This was due to insufficient evidence and a lack of a robust forecasting methodology, provided by the Developer, to justify costs as economic and efficient.

3.87 In total, we have allowed £20.0m for staff costs. Overall, this is an increase of £13.0m to the ITV staff cost value of £7.0m for the project.

3.88 We have subsequently reallocated the staff costs across the cost categories using a category cost weighted methodology[8].

Insurance

3.89 The Developer submitted £5.5m for Insurance including Construction All Risk (**CAR**), Delay on Start Up (**DSU**), and Third-Party Liability (**TLP**) cover. An increase of £1.9m from ITV due to the procurement of new insurance policies and the extensions to existing policies procured to cover project delays.

Ofgem's View

3.90 We have adjusted the cost by –£1.0m. We did not receive robust evidence for the inclusion of **TPL** and **DSU** Insurance to justify its need over and above the project's **CAR** Insurance.

3.91 Overall, the Insurance costs have increased by £0.9m from those estimated at ITV and this increase has been included in the FTV.

Advisory Costs

3.92 Advisory costs relate to services procured relating to the financing of the project.

3.93 The Developer submitted a combined cost for Advisory of £1.7m, an increase of £0.3m from the ITV, but no detail as to the roles and responsibility of the advisors was provided.

Ofgem's View

3.94 We have not included this cost in the FTV as we could not be satisfied that this cost was economic and efficient due to insufficient information. We removed the full £1.7m from the Developer's submission.

Contingency

3.95 The FTV does not contain any contingency value. £13.0m of the contingency that was submitted, in the CAPEX category, at the ITV stage was either used or not realised and therefore no value was included by the Developer in the May 2023 FTV CAT.

[8] We used the submitted CAPEX costs within each cost category to derive a percentage to be allocated to each category.

Interest During Construction (IDC)

3.96 Since the ITV, the Project had been progressing and incurring additional costs. This has, in turn, resulted in an increase of £7.8m in IDC based on the Developer's updated cost submission in May 2023.

Ofgem's View

3.97 In our review we deducted a total of £25.7m from the Developers submission for IDC. This was comprised of five separate disallowances as follows, in the sections below.

3.98 The cashflow reduced by £7.3m, based on a resubmitted IDC cashflow from the Developer's Capex to first power. The original cashflow submitted by the Developer did not reflect the CAPEX total in the CAT. Upon our request, the cash flow was corrected, resulting in the cashflow total reducing from £624.9m to £515.7m.

3.99 The updated cashflow illustrated a pre-Final Investment Decision (FID) development period above our expected 53 months[9]. The Developer did not provide sufficient evidence to support the lengthy development period. Therefore, we have adjusted the interest prior to FID to reflect our expected 53 months efficient development period. This accounted for a reduction in IDC of £1.5m.

3.100 We have also suspended 35 months of IDC, from January 2015 to November 2017, which corresponds to a period relating to a judicial review, which stopped the development of the project. Due to the suspension of activity during this period, we have suspended IDC for the 35 months. This accounted for a reduction in the submitted IDC of £1.9m.

3.101 We have made a £7.4m adjustment to the IDC to account for unexplained project delays featured on the project. During our assessment, we identified a project delay from the supporting documents that the Developer submitted as evidence on the Nexans claim costs. Due to the suspension of activity during this period, we have suspended IDC, on the offshore cable works from July 2021 to February 2022, a period of 8 months, to reflect this delay.

3.102 For the OSP, the Developer justified a COVID-19 impact to the project's timescales. Therefore, we have allowed IDC on parts of the Petrofac cashflows. However, we have suspended the IDC for the Petrofac topside works in January

[9] We have determined economic and efficient development average, Pre-FID development period to be 53 months based past OFTO projects.

2022 as we have noted that no construction took place on this aspect of the project during this month.

3.103 We have made a £5.4m disallowance to reflect the phased completion of assets at the end of construction. The Developer's submission did not take into account the operational status of portions of the assets, we therefore in line with our existing methodologies applied the following, after first power on circuit one, 51% of assets are in service, and therefore did not qualify for IDC after this point. For circuit two, the assets in service were at 76%, and for circuit three, this was 100% and IDC was ceased completely.

3.104 Finally, a reduction of £2.2m was made to the total IDC representing the adjustment following the conclusion of the wider FTV cost assessment. This proportionate reduction in IDC was for all of the costs that were submitted and subsequently not included in the FTV and is a prorate adjustment.

Transaction Costs

3.105 Since the ITV, the Project had been progressing with additional costs being incurred and any estimated costs are now firmer. The submitted transaction costs increased by £0.1m between ITV and the FTV submission.

Ofgem's View

3.106 We have considered the level of costs submitted and concluded they are in line with expectations and are considered efficient and economic and were allocated appropriately. Therefore, we have accepted the submitted cost of £2.6m for transaction costs at FTV.

Confirmation in relation to tax benefits

3.107 The ITV was calculated on the basis that the OFTO would obtain the full benefit of all available capital allowances. If this were not the case for the Assessed Costs, we would reduce the assessment of costs for an amount that reflects the value of the tax benefit retained by the Developer. It is intended that the OFTO will be able to obtain the full benefit of all available capital allowances. At the time of licence grant, when the FTV will be defined, this will be translated into the FTV coinciding with the Assessed Costs, should no other conditions change.

4. Conclusion

4.1 In conclusion, in accordance with Regulation 4 of the Tender Regulations, the Authority has assessed the economic and efficient costs which ought to have been incurred in connection with developing and constructing the Transmission Assets as £621,239,514.

Appendices

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Appendix 1 – List of OFTO assets

Offshore Substation Platform (OSP)

The Transmission Assets connect to the Seagreen Offshore Wind Farm at the OSP. The one Seagreen OSP consists of:

- 3 x 220/66 kV grid transformers
- 3 x 66/0.4kV earthing/auxiliary transformers
- 220kV Gas Insulated Switchgear (GIS)
- 66 kV GIS switchboards comprising:
    a. Incomer circuits at the Offshore Grid Entry Point
    b. 66kV interconnector circuits
    c. 66kV WFO array circuits
- 66kV bus duct interconnections which allow connection of each WTG to another of the three transmission circuits
- Associated auxiliary and secondary systems.

Subsea Transmission Cable

SWEL consists of three subsea alternating current (**AC**), connecting the to OSP the shore where they are jointed to the onshore cable systems in separate transition joint bays. The specifications for the cables are.

- 63.5km of 220kV 3-core subsea-cable at 1200mm^2 CSA.
- 0.5km of 220kV 3-core landfall-cable at 1200mm^2 CSA.

Onshore Transmission Cable

The onshore transmission cable consists of three circuits connected to the subsea cables, via the transition joint bay. The three onshore export cable circuits each consist of approximately Circuit 1- 21.0 km, Circuit 2 - 20.250 km, Circuit 3 - 9.5km.

- Export Cable circuit 1 – 18.5km of 2000mm2 (single core aluminium conductor cables) and 1.5km of 2500mm2 (single cost aluminium cables)
- Export Cable circuit 2 – 20.25km of 220kV cable,
- Export Cable circuit 3 – 19.5km of 220kV of cable.

Onshore Substation (ONSS)

The onshore 275/220/29 kV substation is located at Tealing and includes three identical circuits. Each circuit includes:

- 275 kV Air Insulated Switchgear (AIS),
- 275/220/29 kV Super Grid Transformer,
- 220 kV Air Insulated Switchgear (AIS),
- 33 kV Air Insulated Switchgear (AIS),
- 29 kV Dynamic Reactive Compensator (DRC),
- 220 kV harmonic filters rated at 25MVAr,
- 220 kV harmonic filters rated at 16MVAr,
- 220 kV shunt reactors rated at 177MVAr,
- 29/0.4 kV auxiliary transformers,
- Portable Relay Rooms (PRRs),
- associated auxiliary systems.

In addition, the cables that are connected between the ONSS and the Transmission Interface Point (TIP) at SSEN Transmission Tealing Substation consist of three 275kV single core aluminium cable circuits at 1600mm2 CSA with lengths of:

- circuit 1 – 180m;
- circuit 2 – 185m; and
- circuit 3 – 710m.

Appendix 2 – Ofgem ITV review: Individual cost categories

We undertook a detailed review of each cost category. Below we summarise the adjustments made to each category (Note: figures may not add to totals due to rounding).

Offshore Substation Platform (OSP)

At ITV we reviewed the costs for the design, supply, installation, commissioning and project management of the OSP and decreased the costs submitted in this category by £39.3m overall. As a result, we have estimated the value of £158.0m to reflect the cost of the OSP for the ITV.

Submarine cable supply and installation

We adjusted the costs submitted for the design, fabrication, installation and project management of the submarine cables which resulted in an overall reduction of £12.4m to the submitted costs. As a result, we have estimated the value of £160.2m to reflect the cost of the submarine cable at ITV.

Onshore Cables

We adjusted the costs submitted for the design, fabrication, installation and project management of the onshore cables which resulted in an overall reduction of £3.0m. As a result, we estimated the value of £77.3m to reflect the cost of the onshore cables for the ITV.

Onshore Substation (ONSS)

We reduced the costs submitted for the design, fabrication, installation and project management of the onshore cables by £8.5m. As a result, we have estimated the value of the ONSS for the ITV at £64.8m.

Reactive and harmonic equipment

The Developer submitted costs in the CAT for the design the design, supply, installation, commissioning, and project management of the Reactive Compensation Equipment (RCE). We did not apply an adjustment to this category and consequently, we have estimated the cost in the RCE category to be £22.4m.

Connection Works

We reduced the costs submitted for the connection works undertaken to connect to the 275kV transmission system by £5.9m. As a result, we have estimated the value of the connection works for the ITV at £2.9m.

Other Costs

We reduced the costs submitted under Other Costs by the Developer by £6.3m. As a result, we estimated the value of this category for the ITV to be £26.2m.

Transaction Costs

At ITV stage these costs were not fully defined. These are, in the main, an estimate of costs. We did not apply any adjustment at this stage and these costs are fully reviewed at the FTV stage. We included £2.5m in transaction costs in the ITV.

Interest During Construction (IDC)

We reduced the costs submitted for the project's IDC by £14.0m. As a result, we estimated the value of this category for the ITV to be £73.9m.

Appendix 3 – Glossary

A

Assessed Costs

The final assessment of costs determined by Ofgem through the cost assessment process for the Transmission Assets.

C

Capex

Capital Expenditure

CAT

Cost Assessment Template

Cost Assessment Guidance

Can be found here Offshore Transmission: Guidance for Cost Assessment (2022) | Ofgem

D

Developer

Seagreen Wind Energy Limited (SWEL)

E

EPQ

Enhanced Pre-Qualification

EPCI

Engineering, Procurement, Construction and Installation

F

FTV CAT

The Developer cost assessment template submitted in May 2023

FTV

Final Transfer Value

G

GEMA

The Gas and Electricity Markets Authority

Generation Assets

Seagreen Wind Energy Limited (SWEL) generation assets

GT

Grant Thornton

I

IDC

Interest During Construction

InTV

Initial Transfer Value

ITT

Invitation to Tender

ITV

Indicative Transfer Value

ITV CAT

The Developer cost assessment template submitted in January 2022

ITV letter

The formal ITV letter issued to the Developer in April 2024

M

MW

Megawatt

O

OFTO

Offshore Transmission Owner

OFTO licence

See definition in Section 1 of this report

OFTO regime

See definition in Section 1 of this report

P

PIM

Preliminary Information Memorandum detailing the Project's details released to EPQ bidders through the tender portal.

PM

Project Management

Project

The development and construction of the Transmission Assets

R

RCE

Reactive compensation Equipment

S

Section 8A Consultation

See definition in Section 2.13 of this report

SWEL

Seagreen Wind Energy Limited (SWEL)

T

Tender process

The competitive tender process run in accordance with the Tender Regulations through which OFTOs are granted offshore electricity transmission licences

Tender Regulations

The Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015

Transmission Assets

Seagreen Wind Energy Limited (SWEL) transmission assets

TRS

Tender Revenue Stream