

Roger Morgan
Triton Knoll OFTO Limited
3rd Floor, South Building
200 Aldersgate Steet
London
United Kingdom
EC1A 4HD

Direct Dial: 0207 7901 7049
Email: ikbal.hussain@ofgem.gov.uk

Date: 9 December 2025

DIRECTION UNDER PARAGRAPH 9 OF AMENDED STANDARD CONDITION E12-J4 OF THE OFFSHORE TRANSMISSION LICENCE.

Whereas: -

1. Triton Knoll OFTO Limited (the **Licensee**) is the holder of an offshore transmission licence (the **Licence**) granted under section 6(1)(b) of the Electricity Act 1989 (the **Act**).
2. Unless otherwise defined, capitalised terms in this Direction and its annex shall have the same meaning given to them in the Licence.
3. In accordance with paragraph 9 of Amended Standard Condition E12-J4 (the **Condition**):
 - a) the Licensee considers that the Transmission Service Reduction on the Licensee's Transmission system, that occurred between 27 December 2024, and 6 February 2025 was caused by an Exceptional Event.
 - b) the Licensee notified the Gas and Electricity Markets Authority (the **Authority**) of the Transmission Service Reduction, within 14 days of its occurrence.
 - c) the Licensee has provided details of the reduction in system availability that the Licensee considers resulted from the Exceptional Event and further information required by the Authority in relation to the event; and
 - d) the Authority is satisfied, for the reasons specified in the Annex to this Direction, that the event notified under sub-paragraph (b) above constitutes an Exceptional Event as defined in Amended Standard Condition E12-A1.
4. In accordance with paragraph 10 of the Condition the Authority is satisfied, for the reasons specified in the Annex to this Direction, that the Licensee took steps, consistent with Good Industry Practice, to manage the impact of the event on the availability of services (both in anticipation of the event and after the event had occurred).
5. The Authority gave the required notice in accordance with paragraph 11 of the Condition to the Licensee on 26 November 2025 (the **Notice**).

6. No representations were made by the Licensee in response to the Notice.

Now therefore:

7. The Authority directs that the Licensee's reported system incentive performance for:

- a. Incentive Period 3 and 4 will be increased by 401,823 MWh to offset the impact of this event.

8. This Direction constitutes notice pursuant to section 49A(1)(c) of the Act.

Yours sincerely,



Ikbal Hussain
Head of OFTO Licensing and Compliance

Duly authorised by the Authority

ANNEX

REASONS FOR ACCEPTANCE OF AN EXCEPTIONAL EVENT CLAIM SUBMITTED BY TRITON KNOLL OFTO LIMITED UNDER PARAGRAPH 9 OF AMENDED STANDARD CONDITION E12-J4

1 Notification

- 1.1 On 29 December 2024, Triton Knoll OFTO Limited (the **Licensee**) notified the Authority that there was a Transmission Service Reduction. The Transmission Service Reduction ran from 19:54 on 27 December 2024 to 11:14 on 6 February 2025.
- 1.2 The Licensee submitted an Exceptional Event claim to the Authority on 19 August 2025.

2 Exceptional Event requirements

- 2.1. Paragraph 9 of Amended Standard Condition E12-J4 (the **Condition**) provides that the Authority shall adjust the value of the reported system incentive performance to offset the impact of an Exceptional Event where:
 - a) the licensee considers that any Event on the licensee's Transmission System that causes a Transmission Service Reduction has been wholly or partially caused by an Exceptional Event;
 - b) the licensee has notified the Authority of such an Event, within 14 days of its occurrence;
 - c) the licensee has provided details of the reduction in system availability that the licensee considers resulted from the Exceptional Event (including the anticipated duration of any reduction in availability), and such further information, if any, as the Authority may require in relation to such an Exceptional Event; and
 - d) the Authority is satisfied that the event notified to it under sub-paragraph (b) is an Exceptional Event.
- 2.2. An Exceptional Event is defined in Amended Standard Condition E12-A1 of the offshore transmission Licence as :

"an Event or circumstance that is beyond the reasonable control of the licensee and which results in or causes a Transmission Service Reduction and includes (without limitation) an act of God, an act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, fire (not related to weather), governmental restraint, Act of Parliament, any other legislation, bye law, or directive (not being any order, regulation or direction under section 32, 33, 34 and 35 of the Act) or decision of a Court of Competent Authority or any other body having jurisdiction over the activities of the licensee provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of the licensee. For the avoidance of doubt, weather conditions which are reasonably expected to occur at the location of the event or circumstance are not considered to be beyond the reasonable control of the licensee."

3 Decision

- 3.1 The Licensee has acted in accordance with the requirements of subparagraph 9 (a) to (c) of the Condition. Pursuant to subparagraph 9(d) of the Condition, the Authority is satisfied that the Transmission Service Reduction was caused by an Exceptional Event for the reasons set out below.

4 Reasons for decision

- 4.1 The Authority has considered the information provided by the Licensee against both the Licence and the open letter dated 4 January 2024 (the **Open Letter**¹).
- 4.2 The Licensee explained that the Transmission Service Reduction was caused by an earth fault on phase L1 Busduct - sleeve B due to water ingress that had accumulated inside the busduct insulating sleeve (the **Busduct Failure**).
- 4.3 The water ingress "led to a sudden flashover² due to an installation defect or other factor that caused the seal to be displaced (such as sub-station seabed installation)", resulting in Grid Transformer 1 tripping and loss of a circuit.
- 4.4 An endoscopy camera was used to internally inspect the damage to the insulating sleeve which showed evidence of water ingress. In addition, the inner surfaces of the damaged sleeve showed traces of water marks which supported the conclusion that the Busduct Failure was attributable to water ingress.
- 4.5 Based on visual inspections and internal examinations of the damaged sleeve, it was determined that the sleeve required replacement.
- 4.6 The Original Equipment Manufacturer (the **OEM**) carried out a Root Cause Analysis investigation on the damaged sleeve which was used to provide the Licensee with updated maintenance recommendations to prevent future occurrence of the Busduct Failure.
- 4.7 The Licensee explains that the Busduct Failure was beyond its reasonable control as it had carried out due diligence inspection of the assets prior to asset transfer.
- 4.8 The due diligence inspection did not identify any prior issues with the busduct system and confirmed that the busduct system was operating normally prior to asset transfer, therefore the Licensee states that it would not have known about the Busduct Failure until it occurred.
- 4.9 Furthermore, The Licensee notes that it followed Good Industry Practice post asset transfer by carrying out routine maintenance recommended by the OEM whereby the Operations and Maintenance contractor carried out thermography and partial discharge testing, which identified no anomalies.
- 4.10 The Authority considers the Busduct Failure to be a latent defect that was beyond the reasonable control of the Licensee and could not be detected prior to asset transfer for the following reasons:

a) there were no prior fault indicators,

¹ [Update to open letter on the Authority's approach towards Exceptional Events \(ofgem.gov.uk\)](#)

² The OEM Root Cause Analysis Report explains that "a flashover was caused by an abrupt and rapidly increasing earth fault current which is more likely to be associated with a suddenly occurring low resistance earth fault - in this case a flashover in air over a short distance - than with a gradually developing insulation damage in the solid insulation".

b) the Supervisory and Control Data Acquisition and protection relays showed no alarms or trips prior to the Transmission Service Reduction and;

c) it would have been difficult to detect the Busduct Failure via visual inspection or routine maintenance as the busduct insulating sleeves are not visible to the naked eye. The insulating sleeves are a sturdy metal case that is housed within the busduct and protects the busbars, shielding the busbars from environmental hazards and physical damage.

- 4.11 Based on the information provided by the Licensee, the Authority considers that the Transmission Service Reduction constitutes an Exceptional Event.

5 Authority's adjustment to the reported system incentive performance under Paragraph 10 of Amended Standard Condition E12-J4

- 5.1 In accordance with Paragraph 10 of the Condition, the adjustment to reported system incentive performance shall be based on the extent to which the Authority is satisfied that the Licensee had taken reasonable steps, consistent with Good Industry Practice, to manage the impact of the event on the availability of services (both in anticipation of the event and after the event has occurred).
- 5.2 The Authority has considered whether the Licensee has taken steps in accordance with Good Industry Practice to manage the impact of the event and is satisfied that the Licensee acted in accordance with Good Industry Practice in carrying out a safe, efficient and successful repair as noted on the Root Cause Analysis and Technical reports submitted in support of the claim.
- 5.3 Therefore, the Authority directs that the Licensee's reported system incentive performance be adjusted to offset the full duration of the Transmission Service Reduction 401,823 MWh reported system incentive performance for Incentive Period 3 (beginning 1 January 2024) and Incentive Period 4 (beginning 1 January 2025) as follows:
- 27 December 2024 to 6 February 2025 – 401,823 MWh