
Consultation – OFTO Build: Ways Forward for an Early Competition Model

Response from The Crown Estate

30 October 2025

1. Summary

The Crown Estate welcomes the publication of the Ofgem consultation ‘OFTO Build: Ways Forward for an Early Competition Model’. We have been actively engaged with Ofgem in the lead up to this consultation, and welcome this opportunity to provide further comment on the proposals.

Key Messages

- The development of an early competition OFTO build model aligns with The Crown Estate’s long-standing position that early interventions can help enable delivery of complex, non-radial offshore transmission designs.
- We are supportive of the development of regulatory models for offshore transmission that deliver clear benefits for consumers, while ensuring compatibility with seabed leasing processes for offshore wind and their transmission assets.
- We recognise the importance of close alignment with the Strategic Spatial Energy Plan (SSEP) and the Centralised Strategic Network Plan (CSNP), ensuring that seabed leasing, network design, and tender triggers are coherently sequenced.
- We recognise the importance of clear governance and would support the establishment of a dedicated offshore coordination subgroup within the CSNP governance framework to provide a structured mechanism to align relevant processes.
- We welcome Ofgem’s constructive engagement ahead of this consultation and look forward to continued collaboration to ensure regulatory frameworks, leasing, spatial planning and policy align, reinforce and remain in lock-step during a rapidly evolving market and regulatory landscape.

2. The Crown Estate

Who we are

The Crown Estate is a unique organisation with a diverse portfolio. We manage the seabed and approximately half the foreshore in England, Wales and Northern Ireland, playing a vital role in the sustainable development of these national assets. Our approach is evidence-based, using data to facilitate co-location and improve spatial coordination between a range of activities.

As an entity established by Act of Parliament, The Crown Estate is committed to delivering social, environmental and financial value for our customers, partners and the nation. We return all net revenue profit to the public purse, having contributed £4 billion over the past decade.

Our Purpose

We aim to create lasting and shared prosperity for the nation. We are uniquely placed to generate financial, environmental and social value for current and future generations. Leveraging our independence, scale of ownership, convening power and patient capital, we are able to address long-term national needs and support new opportunities, such as the growth of renewable energy. Our activity is driven by four strategic objectives, which are to:

- Take a leading role in stewarding the UK's natural environment and biodiversity;
- Be a leader in supporting the UK towards a net zero carbon future;
- Help create thriving communities and renew urban centres; and
- Responsibly generate value and financial returns for the public purse.

3. Our response

Given The Crown Estate's pivotal role in enabling development of offshore renewable energy, we have been actively engaged with Ofgem in the development of the early competition models. We are pleased to note that our perspectives relating to OFTO delivery models and the role of seabed leasing in the context of the SSEP/CSNP are clearly represented in the consultation.

To support the UK Government's net zero targets and wider economic growth ambitions, we believe that 20-30 GW of offshore wind needs to be leased by the end of this decade, and accordingly support development of an OFTO regime that enables timely, coordinated and efficient delivery of offshore renewables for the benefit of consumers, communities, and society.

Please find below our detailed responses to the consultation questions. We have only responded to those questions we feel are of most relevance to our role, where our input can provide greatest value.

Q1. What are the potential considerations or barriers to using an early competition OFTO build model to build coordinated assets as outlined in the draft CSNP methodology? How could those barriers be addressed?

We consider that an early-competition OFTO build model could improve delivery of offshore transmission. However, to realise this potential, the model must be deliverable, investable, and compatible with the evolving network planning and seabed leasing frameworks.

We have previously highlighted to NESO and Ofgem in our responses to the CSNP methodology consultations that clearer references to delivery coordination are required within the CSNP — including consenting pathways, supply-chain mobilisation, and sequencing of works during the delivery phase. Strengthening these elements would mitigate many of the risks that could otherwise emerge in an early-build context.

From our perspective, we highlight the following potential barriers:

- Timing and alignment between network planning, seabed leasing and regulatory processes – Ensuring alignment and sequencing between NESO's CSNP and SSEP processes, The Crown Estate's seabed leasing process, and Ofgem's proposed OFTO build tender process and triggers will be important.
- Allocation of interface, scope and delivery responsibilities and risk between offshore wind and OFTO build developers – Early competition may introduce uncertainty around responsibilities for design, preliminary works, survey and consenting activities, and interfaces between OFTO build and offshore wind developers. Setting clear expectations and defining responsibilities will be important.

- Market confidence and financing readiness – Confidence in new transmission delivery models will need to be developed. This relates not only to the OFTO build model itself, but offshore wind investment more broadly. This may be through limited transitional arrangements or pilot projects with appropriate allowances and arrangements to stimulate and assure investor confidence across the whole value chain of offshore wind and transmission. Design and delivery coordination will be important, involving NESO, Ofgem, TOs, delivery bodies, and seabed leasing authorities. A dedicated Offshore Coordination Subgroup within the CSNP governance framework could provide a structured forum to achieve this.

In addition, we consider that the CSNP governance process should learn lessons from the Holistic Network Design processes (HND and HNDFUE) to ensure that offshore network proposals provide a robust basis for early competition OFTO build, with scope for supplier and independent-expert participation in subgroups to assess the feasibility of delivery.

Q2. Do you think the principles regarding the process and the commercial framework (discussed below) of the early competition OFTO build model targeted at non-radial assets can be directly applied to a mechanism for delivering radial assets? If the principles are not the same, what might be the differences?

We are supportive of Ofgem's proposal to explore whether the principles underpinning the early competition OFTO build model — including early market engagement, defined delivery accountability, and transparent risk allocation — could extend to radial transmission assets. We think they can and should be applied to radial assets. We recognise that generator-build OFTO delivery models may remain appropriate for some radially connected offshore wind projects. However, increasingly, radial assets forming part of the strategically planned network architecture under NESO's CSNP, particularly 2 GW-scale HVDC assets, could be delivered using the early competition OFTO build model.

In this context, the early OFTO build model may also be relevant for strategic radial assets designed to enable future hubs or coordinated expansion. Conversely, radial assets with no system expansion dependency may remain better suited to late competition or generator-built approaches.

Importantly, the governance of early competition will depend on clarity around who triggers the process and when. Under a plan-led or centrally coordinated model, triggers could originate from NESO, Ofgem, or potentially jointly, once key conditions are met. Clear and transparent trigger definitions will be essential to avoid uncertainty for developers and to ensure early competition aligns with both network planning and seabed leasing processes.

We would welcome discussion with Ofgem and NESO, to define these trigger mechanisms and sequencing, ensuring the early competition model is compatible with seabed leasing processes.

Q3. Will some radial projects benefit from a substantively different framework, e.g. a late competition model in which generator will be responsible for design and other preliminary works? What are the possible circumstances and what are the potential benefits of using a substantively different model?

We recognise there will be circumstances where certain radial offshore transmission projects may be delivered under a late competition or generator-led model. This flexibility is essential to support the timely delivery of offshore infrastructure for offshore wind. The regulatory framework should provide sufficient flexibility to accommodate offshore transmission assets' strategic functions.

Projects within single offshore wind developer control may remain best suited for a late competition or generator-led delivery. In contrast, where a radial asset has potential for future expansion (e.g. multi-terminal HVDC expansion) an early competition OFTO build model could be more appropriate.

Importantly, this differentiation should align with the governance and trigger mechanisms discussed under Question 2. Where early competition is introduced, it must be clear who triggers the process (e.g. NESO, Ofgem) and when — ensuring alignment with seabed leasing processes.

Q5. What non-price elements of an OFTO bid should form evidence of a potential OFTO's capability to deliver transmission infrastructure as part of an early competition OFTO build tender?

We welcome the opportunity for further discussions with Ofgem to ensure appropriate alignment between the seabed leasing tender models and early competition OFTO build tender framework. These discussions should aim to establish a coherent and transparent interface between leasing, regulatory, and delivery processes, providing clarity for developers and investors, while supporting timely, coordinated, and efficient offshore transmission delivery.

Q8. Do you agree with imposing a post-award securities obligation on a successful OFTO bidder to reduce the risk of stranded generation assets and increase the confidence and appetite for early competition OFTO build assets?

We recognise and support Ofgem's objective to strengthen delivery assurance and customer protection under the early competition OFTO build model. It is vital to ensure that offshore transmission infrastructure can be delivered efficiently, on time, and in alignment with offshore wind delivery to provide transparency and confidence for market participants while maintaining robust energy system and consumer protections. We welcome further discussion with Ofgem to explore securities and delivery incentives.

Q9. What forms and levels of compensation are appropriate to mitigate the risks faced by generators in the event that an OFTO delay impacts a generator's route to market under an early competition framework?

We consider it essential that an early-competition framework accounts for the risks and impacts of OFTO delays on a generator's route to market. It is important that the design of options and associated compensation mechanisms appropriately reflect the potential consequence of non-performance, delay, or misalignment with offshore wind project delivery timelines.

Q10. Do you agree that OFTOs would be sufficiently incentivised under a similar payment mechanism to CATO and generator build regimes to deliver transmission assets on time and to sufficient quality?

We consider it essential that any OFTO payment and incentive mechanisms ensure transmission assets are delivered on time, within budget, and to the required quality standard, including environmental, social, and safety considerations. Clear, proportionate incentives aligned with delivery milestones are critical to maintaining confidence in early-competition frameworks and supporting timely coordination with seabed leasing and consenting processes.

Q11. What challenges would a centralised tender approach pose to generators, OFTOs and other stakeholders? How can these challenges be mitigated?

We welcome Ofgem's recognition that closer integration between seabed leasing and grid delivery processes will be critical to delivering efficient, timely, and coordinated offshore transmission infrastructure. We agree that a centralized early-competition tender approach, as referenced in section 3.39, could promote greater delivery consistency with NESO's strategic network design, provided it is closely aligned with seabed leasing decisions and marine spatial planning processes.

We note that a centralized tender approach will have implications for seabed leasing authorities and processes for both offshore wind and transmission. We encourage further dialogue with NESO, Ofgem, DESNZ, and other stakeholders to ensure alignment between centralized tender triggers, seabed leasing processes, and marine

spatial planning to mitigate potential interface or timing conflicts for offshore wind developers, OFTOs, and other market participants.

We emphasize that this centralised approach should seek to support broader system, society, environmental and consumer benefits, when combined with seabed leasing processes, and NESO's CSNP and SSEP evidence.

Q12. Do you consider that centralised tenders can offer benefits by enabling the tendering of projects at their initial development, potentially at the point of seabed leasing?


We welcome consideration of the timing of potential centralised tenders for offshore transmission in the project development lifecycle of offshore wind. We look forward to continuing to work with Ofgem to explore the suitability of trigger points in the context of future seabed leasing processes for offshore wind and offshore transmission.

4. Concluding remarks

The development of an early competition OFTO Build Offshore Transmission framework represents a material change in how offshore transmission infrastructure will be planned, coordinated, and delivered. Realising this ambition will require sustained collaboration between Ofgem, NESO, DESNZ, and The Crown Estate to ensure that regulatory, spatial, and leasing frameworks evolve coherently. Effective alignment between seabed leasing, system planning, and tender design will be critical to maintaining market confidence, reducing delivery risk, and ensuring that early competition supports the timely and coordinated build-out of the offshore network.

We trust that you will find our comments on the consultation constructive. We would be willing to engage further and provide additional information on any of the points we have raised. All of these responses may be put into the public domain, and there is no part of this submission that should be treated as confidential.

Yours Sincerely,



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