

Scira Offshore Energy Ltd

Hamilton Hse, Battery Green Road

Lowestoft, Suffolk, NR32 1DE, UK.

Mr. Andrew MacFaul
Consultation Co-ordinator - Ofgem

Date : 22nd January 2007

Subject : Review of Standard Licence Conditions 14 and 15 of the Elect. Gen. Licence.

Dear Sirs,

References : Ofgem Consultation document : 202/06, dated 27th Nov. 2006

We would thank you for the invitation to respond in connection with the above referenced consultation document.

Scira Offshore Energy Ltd. (Scira) fully endorses Ofgem's preliminary views as stated on page 2 of the consultation document, namely that Ofgem should take the consistent approach in awarding SLCs 14 and 15 in all licences (i.e. Option 1).

In specific response to the two questions raised in the Chapter 2 we have the following comments/response:

Question 1 : Are there any options not identified and discussed here ?

Response : Scira cannot identify any relevant options not identified.

Question 2 : Do you agree with our preliminary view that SLCs 14 and 15 should be given effect in all electricity generation licences ?

Response : It is Scira's opinion that, in order to maintain a consistent approach, Ofgem should award SLCs 14 and 15 in all licences (i.e. Option 1).

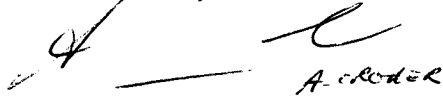
Option 2 (removing SLC14 and 15 from effect in all licences) is not considered to be a desirable option as such an option would not remove the possibility of individual generators requesting that SLC 14 and/or SLC 15 be given in their generation licence.

In the case of the Scira windfarm (Round 2 : Sheringham Shoal Windfarm), it is currently our intention to lay an underground cable from landfall to a point of grid connection approx. 26km inland. This will, of necessity, involve a combined arable and highway route. Landowner negotiations are currently progressing as are discussions with the appropriate highways departments. Scira fully intends to progress all easement and land purchase agreements by negotiated means. However, unless Scira has the power to take compulsory purchase action, it is possible for a single landowner of a key estate, or a single highway authority, to obstruct the project to the extent of causing years of delay, as well as substantial extra expense, without any need to justify its actions (as it would have to do with the CPO process). Further, Scira has received a very clear message from the Highways Dept. of the County Council that unless Scira has Statutory Undertaker rights to dig up the Highways, then currently, only highway crossings, under section 50 licences, will be allowed. It is therefore imperative that Scira receive such rights in order to develop the windfarm.

In summary, the effect of SLC's 14 and 15 is to protect developers from arbitrary and unjustifiable behaviour which, in this case, would also have the result of seriously weakening the UK's commitment to reduce carbon emissions.

We hope that you find the above comments of help in your assessment of the Generation licence conditions, and remain,

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'A. Croker', is written over a horizontal line.

Andrew Croker
Grid Manager
On behalf of Scia Offshore Energy Ltd.