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CONNECTING OFFSHORE WIND TO THE NATIONAL GRID

The development of the UK's pioneering offshore wind energy sector continues apace as details were announced today of the licensing regime for would-be electricity transmission owners.

After a joint consultation the DTI has decided in agreement with Ofgem that Britain's monopoly electricity transmission network owners will have the opportunity to compete against a wider range of transmission companies to build, own and maintain the links.

The aim is for this 'non-exclusive' system to deliver cheaper and more timely connections from offshore wind farms to the onshore Grid, while encouraging innovation through competition and enabling new entrants to compete in the market.

The two options consulted on were:

- Non-exclusive system – allowing competition between many licensed transmission owners to provide specific offshore grid connections.
- Exclusive system – tendering for a number of different offshore regions where a single transmission owner provides grid connections.

The Government's response to the consultation is published today.

Energy Minister Lord Truscott said: "Offshore wind energy can make a significant contribution to the UK's renewable energy targets. Along with Denmark we are currently leading the world in the offshore sector and we want to keep the momentum going.

"In the last few months alone the Government has consented three major projects in the Thames Estuary and there will be more to come. The DTI and Ofgem are working closely to put in place a flexible and economic system for getting these vital energy schemes connected up to the mainland."

David Gray, Ofgem's Managing Director for Networks, said: "Ofgem welcomes and fully supports the competitive approach being introduced offshore. Introducing competition in transmission will benefit consumers and offshore renewable generators by putting downward pressure on prices and delivery times.

"We are keen to encourage effective competition and would therefore be interested in hearing from serious parties interested in developing these links."

Ofgem's scoping document, to be published imminently, will set out work that needs to be completed to establish the offshore transmission regime. This includes designing the

tender process, developing the connection application process to cover offshore transmission and advancing the associated implementation issues.

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Notes to Editors

For a PDF copy of the Government's response please email david.meechan@dti.gsi.gov.uk. Or call 020 7215 5960.

For a copy of the November consultation document click here: <http://www.dti.gov.uk/files/file35530.pdf>

Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000. In this information note, the functions of the Authority under the relevant Acts are, for simplicity, described as the functions of Ofgem.

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