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## **Re: Offshore Electricity Transmission: Updated Proposals for the Competitive Tender Process**

Dear Richard

Thank you for inviting ABB to comment on the above consultation document. We have chosen to answer those questions which are most relevant to ABB.

ABB is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 120,000 people, in the UK ABB employs around 2,600 people. Technology plays a key role for ABB with our nine research centres, 6,000 scientists and 70 university collaborations across the world, of which several are in the UK.

ABB is one of the largest providers of transmission grid plant and equipment to connect Round 2 and proposed Round 3 offshore wind farms to the UK and European Grid systems.

**OFGEM Questions - Chapter 5:**  
***Our initial thoughts on further developments for the tender process going forward***

**Chapter 6:**  
***We would welcome feedback on our overall proposed approach to competitive tenders as set out in this chapter***

ABB is committed to helping OFGEM implement the proposed offshore regime and will continue to work with offshore developers, potential OFTOs and government, to further refine the process where possible.

ABB has commented in several of the previous consultations, that the challenge to the industry to meet the UK 2020 targets is not only to build offshore transmission assets in a timely manner, at the least cost to UK customers, but also to ensure that the supply chain will be fully engaged and integrated within the process to ensure that the step change in electrical plant and sub sea cable capacity requirements can be planned and delivered to meet this very challenging 2020 target.

ABB has considered the recent OFGEM consultation which outlines the final proposed tendering processes for the new offshore regime. It is ABB's view that the proposed process is workable and will facilitate competition within offshore transmission. However our original concerns remain that the tendering process proposed for the Round 3 projects (Enduring) may well result in engineering resource constraints due to multiple bidding, of very complex transmission connections, to several participating OFTO's.

ABB has commented on the need for co ordination and clarity of project timescales and the need to have a clear view of the requirements of the market demand for sub sea cable and HVDC systems. Whilst the proposed regime will give signals as to the equipment requirements, the scale of the potential demand for

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sub sea cables for example, required to meet the Government 2020 targets, may well necessitate more proactive planning and early commitment to production capacity, than is likely to occur with the new regime.

The very early appointment and identification of parties that are likely to contract with ABB and other suppliers will allow both advanced planning of manufacturing capacity and optimisation of technical solutions. ABB has observed that serious concerns still exist within the industry that the proposed new regime will not fully facilitate this vital requirement.

Yours sincerely

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