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OFGEM REGIME WILL OPEN WAY TO INVESTMENT IN OFFSHORE WIND POWER

Ofgem and the Department of Energy and Climate Change have unveiled the finalised regime for regulating the undersea networks and other infrastructure that will carry power from offshore wind farms. The regime opens the gates for new investors to join a multi-billion-pound programme that will deliver vital contributions to GB's drive to meet climate change targets and provide secure energy supplies while bringing value for money to consumers.

The licences to build and operate the offshore networks will be subject to competitive tender, run by Ofgem. This approach is expected to rein in the costs of providing this crucial infrastructure. Successful bidders will be able to participate in a long-term, low-risk regulatory regime.

Up to 39 GW of offshore wind capacity is expected to be installed by 2020. Some £15 billion in new investment in transmission infrastructure is estimated to be required to deliver this capacity.

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1. In a joint statement, *Overview of Great Britain's Offshore Electricity Transmission Regulatory Regime*, Ofgem and the Department of Energy and Climate Change presented the final regulatory regime for Offshore electricity transmission. Available at:
<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/cons2009/Pages/Cons2009.aspx>
2. 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. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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