

Roberta Fernie  
Ofgem  
Third Floor  
Cornerstone  
107 West Regent Street  
Glasgow  
G2 2BA



26 November 2009

Dear Roberta

**NGET's request for Grid Code and STC derogations in respect of certain offshore 'transitional projects'.**

EDF Energy welcomes the opportunity to respond to this consultation and makes the following points:

**Regulatory certainty for investment**

EDF Energy strongly believes that the energy industry requires long term regulatory certainty and stability and a reasonably predictable market in order to invest.

EDF Energy has some sympathy with developers of existing installations or those in an advanced stage of development, for whom the proposed enduring offshore transmission regime represents a significant change, particularly given that the requirements to be imposed are significantly different from those detailed when these projects were conceived.

EDF Energy believes that regulatory uncertainty acts as a disincentive to future investment and these derogations for transitional projects represent a level of uncertainty which the Regulator and Government should seek to avoid.

**Transitional issues**

It is noted that Ofgem concedes that it may not be possible for some of these projects to meet their new obligations under the relevant codes. The need for these derogations suggests that the difficult transitional issues for offshore development projects were not considered in the Secretary of State's designation of the Go-Live offshore regime. Having implemented changes designed to harmonise requirements between difference classes of participant these derogations will have to be permanent and therefore, in reality, the arrangements for enduring offshore transmission will never apply to these specific projects.

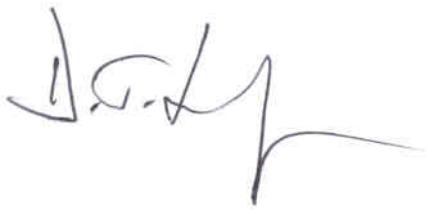
**Implications for future determinations**

EDF Energy believes that the transitional issues of the Secretary of State's direction for the Offshore Transmission regime could have some similarity to the future Secretary of State's determination on grid access. A model of grid access without transitional issues, e.g. Connect and Manage (Socialised), would therefore remove the need for ongoing derogations and adjustments to industry codes.

Future determinations should be made resilient to inappropriate changes through normal industry governance processes, to prevent the unwinding of the enduring regime directed by the Secretary of State. This resilience might be achieved if determinations included a high level principled amendment to industry licence objectives, while the capability of industry codes to continue to evolve is maintained.

If you have any queries on this response or would like to meet to discuss it further, please do not hesitate to contact Rob Rome on 01452 653170 or myself.

Yours sincerely

A handwritten signature in black ink, appearing to read "D. Linford", with a long horizontal flourish extending to the right.

**Denis Linford**  
**Corporate Policy and Regulation Director**