Yvonne Naughton
Offshore Transmission
Ofgem E-serve
Cornerstone
107 West Regent Street
Glasgow
G2 2BA

29 November 2010

Dear Yvonne,

Offshore Electricity Transmission: Implementing further refinements to the enduring regime.

EDF Energy welcomes the opportunity to respond to this joint Ofgem-DECC consultation.

EDF Energy is one of the UK's largest energy companies, with interests that include nuclear, renewables, coal and gas-fired electricity generation, carbon capture and storage (CCS), combined heat and power and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

The key points of our response are as follows:

- EDF Energy fully supports a self-build option for offshore generator developers should they wish to maintain control of the transmission element of their project. We believe the changes proposed in this consultation sufficiently deliver this policy intent.

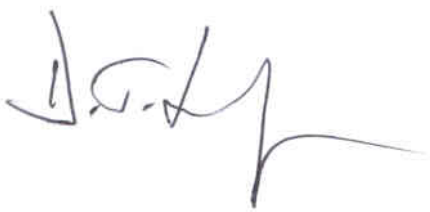
- We understand that (as a minimum) OFTOs must allow for a 20% increase in capacity over the operational life of the asset. In practice, this might give rise to additional complexities, and so there should be a transparent offshore asset transfer value mechanism. This should allow for future phased offshore development or strategic build; the methodologies and codes could take proper account of this to remove barriers to phased offshore development while providing protection for UK consumers.

- The 28 day requirement mentioned in this consultation seems to relate to confirmation that the offshore works will be generator build together with a resubmission of the programme (submitted as part of the original application). We believe that the 28 day timescale is a reasonable target, but there should be sufficient flexibility in the methodologies and codes for cases where the scoping of the offshore works is not at a detailed enough stage.

Our detailed responses to the consultation questions are set out in the attachment to this letter. Our response is not confidential.

Should you wish to discuss any of the issues raised in our response or have any queries please contact my colleague Rob Rome on 01452 653170, or myself.

Yours sincerely,



Denis Linford
Corporate Policy and Regulation Director

Attachment

Offshore Electricity Transmission: Implementing further refinements to the enduring regime.

EDF Energy's response to consultation questions

Q3.1 Do you consider that the scope of the proposed changes to the Codes achieves our policy intent?

We fully support a self-build option for offshore generator developers should they wish to maintain control of the transmission element of their project. We believe the changes proposed in this consultation sufficiently deliver this policy intent.

Q3.2 Do you consider that there are areas of the Codes where you consider that further amendments are required to deliver our proposals?

The relevance of the offshore asset transfer value should be reflected in any further code amendments (see our response below to Q3.3).

Q3.3 Do the proposed changes to the Codes create unintended barriers to phased development of offshore?

The offshore asset transfer value is of particular relevance when in consideration of innovative approaches to whole-life asset management and allowance for future developments. It is our understanding that OFTO's must allow for a 20% increase in capacity over the operational life of the asset. However, there may be good reasons why a developer might want to build a level of capacity capability above 20% in, for example, the first phase of the project. This may be ahead of further development phases or for strategic purposes such as future interconnection. It would be useful if the methodologies and codes could take proper account of this.

Q3.4 Do you consider the timescale of 28 days, being proposed in clause 17 of Schedule 2, Exhibit 3A of the CUSC (the Construction Agreement), for an offshore generator to provide its programme for the construction of the OTSDUW and its proposed onshore connection point is reasonable.

The 28 day requirement seems to relate to confirmation that the offshore works will be generator build together with a resubmission of the programme (submitted as part of the original application). These timescales might be challenging to meet depending on the level of detail required. Any generic construction programme would seek to secure an onshore grid connection in the first instance with more detailed scoping of the offshore works following later. Therefore, the 28 day timescale might be considered as a target allowing sufficient flexibility to develop the scope of the offshore works at a later stage.

This should also enable more realistic dates to be agreed between parties and a flexible facility for amendments.

Q3.5 Do you consider that Clause CC.6.3.2 in the Connection Conditions in the Grid Code accurately reflects the system design at the interface point?

It would appear to reflect the system design at the Interface Point. The accuracy of the clauses are best tested under practical applications and if found deficient can be amended under the normal Grid Code governance process.

Q3.6 We note that section K does not place an obligation on an OFTO to contribute to frequency control but that a change to CC6.3.6 a) (vi) is being proposed to require this where the generator chooses to construct its transmission assets. Do you consider that this requirement is applicable to an offshore transmission system constructed by an offshore generator?

There are requirements for both the generator and offshore transmission operator in the provision of frequency control. For the offshore generator the responsibility is for the construction and installation of all the necessary offshore equipment which clearly includes frequency control. The generator would then retain the frequency control element upon transfer of the transmission assets to the OFTO.

For offshore transmission the requirement to provide frequency response applies where the offshore transmission works undertaken by the User is of the form of a DC Converter at the Interface point. The DC obligation itself is to provide the frequency capability. This is entirely consistent with a general requirement for all Onshore DC Converters to do the same (from April 2005) and which includes the Britned link.

Q3.7 We note that the OFTO has an obligation under the STC to ensure an offshore transmission system stay connected to the NETS through faults and disturbances and that this obligation should apply to all offshore transmission systems regardless of the party that has constructed them. Do you consider that the changes being proposed in section CC6.3.15 of the Connection Conditions in the Grid Code reflect these requirements on an offshore transmission system constructed by an offshore generator?

In consideration of our response above, we believe the deemed OFTO would not agree to the transfer unless the frequency control element was met by the generator. To do otherwise would mean the OFTO would not meet its obligation under the STC. The relevant legal text appears to reflect these requirements.

Q3.8 Do you consider that the changes in CC.6.5 are applicable to an offshore transmission system constructed by an offshore generator? We note that the proposed changes to CC.6.5 place slightly more specific requirements on an OFTO than those placed on a TO by the STC, in that the STC requires the TO and the NETSO to agree the communications plant to be delivered (STC section D, part two, 10).

To the extent that NGET can specify the exact requirements in Bilateral Connection Agreements, this should deliver what the system operator requires. It is unlikely to result in different requirements than NGET require if agreed via an OFTO contract directly.

Q3.9 Do you consider that the changes being proposed in section PC.8 of the Planning Code are relevant to the Grid Code, or whether these changes are more appropriate in the CUSC?

This part of the legal text does appear to be concerned only with the exchange of information up to the point the offshore assets are transferred to an OFTO. This transitory requirement suggests that it may be more appropriate to include such requirements within a Bilateral Connection Agreement or the CUSC which would give additional transparency around the technical areas that may need to be provided.

EDF Energy
November 2010