

Implementation of the Offshore Transmission Regime - Offshore Implementation Plan

At Go Active, the Secretary of State designated changes to standard framework documents, extending these documents offshore. On 15 December 2010, the Secretary of State designated further changes to implement the generator build option and facilitate the late OFTO build option.

However, extended and revised obligations will not fully take effect until Go Live, as the prohibited activity of offshore transmission will not exist before that date.

This table summarises the activities that we expect will need to begin before Go Live, the time that those activities will be needed from/by.

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
Ofgem	Cost Assessment for qualifying projects	Ex ante estimate in line with tender round timetable	Within scope of offshore transmission project for transitional projects
	Tender process	From Go Active	Tender Regulations
	Ex post cost assessment	From completion of assets to form an offshore transmission system	Within scope of offshore transmission project for transitional projects
	Determine the basis of transfer (if offshore generator and OFTO fail to agree terms)	After identification of preferred bidder and to make determination thereafter as soon as possible after receipt of an application under Schedule 2A	Property Transfer Scheme
	Agree terms of OFTO licences	From selection of preferred bidder until award of OFTO licence	Within scope of offshore transmission project for transitional projects
	Award OFTO licences	To be effective from Go Live (for date required by specific projects)	Section 6 of the Electricity Act

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
	Require parties (DNOs and in some cases GBSO) with existing contracts with 132kV connected offshore generators to trigger offers to put in place replacement contracts	On or before Go Active (notification)	CUSC Section 6 (notification from DNO or GBSO)
	Dispute resolution - informal	From Go Active	Representatives from Offshore Transmission Team (as impartial third party)
	Dispute resolution - determination (initial stage NETSO contract with offshore generator)	From offer of replacement agreements (Go Active + 6 months)	Standard condition C9 of the transmission licence
	Dispute resolution - determination (DNO contract with NETSO)	From offer of replacement agreements (Go Active + 6 months)	Standard condition 7 of the electricity distribution licence
	Dispute resolution - determination (agreement to vary NETSO contract with offshore generator)	From offer of replacement agreements (Go Active + 6 months)	Standard condition C9 of the transmission licence
	Dispute resolution - determination (NETSO contract with OFTO - new contract)	From offer of replacement agreements (Go Active + 6 months)	Section H of the STC
	Decisions on derogation requests (in respect of offshore transmission system related compliance issues)	From receipt of requests - minded to decisions from Go Active (derogations need to be effective from Go Live)	Standard conditions E13 (STC) and E16 (NETSSQSS) of the electricity transmission licence

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
	Decision maker for changes proposed under normal governance to standard framework documents	From Go Active	Standard conditions B12 (STC), C17 and D3 (GBSQSS), C14 (Grid Code), C3 (BSC), C10 (CUSC), C5 (Use of system charging methodology) and C6 (Connection charging methodology) of the transmission licence and standard conditions 22 (DCUSA) and 21 (Distribution Code) of the electricity distribution licence.

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
DECC	Further designation decisions - changes needed to the transmission licence or industry codes for offshore transmission regime that are not appropriate to manage via normal governance	Up to 18 months from Go Active	Section 90 of Energy Act 2004 (EA04)

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
Generator	Enter into replacement bilateral agreements with NETSO. Projects should make themselves aware of our proposed transitional project pre-conditions and tender entry criteria.	To be effective from Go Live (for date required by specific projects)	Tender Regulations
	Generators with enduring bilateral agreements enter into CUSC Construction Agreement with NETSO	To be effective by Go Live (for date required by specific projects)	Requirement set out in CUSC
	Agree arrangements to terminate existing contracts under the relevant agreements not compatible with offshore transmission regime	By Go Active + 6 months	Requirement of replacement contracts offered by NETSO
	Submission of information for Cost assessments	Pre Go Active	Specific information requests issued
	Provide Ofgem with provisional terms for transfer of assets by filling in a transfer agreement with all relevant information available to the developer (transitional projects)	in line with tender round timetable	Tender Regulations
	Provide information to Ofgem for use in tender process	Before Go Active and during tender process	Requirement set out in Tender Regulations

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
	Accede to CUSC and BSC (if not already a party)	By time offer of replacement agreement is accepted	Requirement of replacement contracts offered by NETSO
	Set up trading interface with Elexon	By Go Live	In accordance with BSC Registration process
	Set up operational interfaces with NETSO	To be effective by Go Live (including time for testing) or by later time (reflect project specific requirements)	Requirement of contract with NETSO
	Demonstrate compliance with technical capability requirements defined in the Grid Code	Needs to satisfy NETSO before generator can export onto GB transmission system	Requirement of contract with NETSO
	For new projects, apply to NETSO for connection to the national electricity transmission system for an offshore connection point (for new schemes this is recommended due to construction lead times)	From Go Active	Standard condition C8 of the transmission licence defines generator right to an offer of terms from NETSO.

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
Offshore Transmission Owner	Submit information (pre-qualification questionnaire, qualification to tender questionnaire, invitation to tender and best and final offer) to tender process	From Go Active - tender specific timetable defined by Ofgem	Requirements set out in Tender Regulations
	Preferred bidders apply to accede to STC	Within three days of becoming preferred bidder	Tender Regulations
	Preferred bidders offer to enter into OFTO Construction Agreement with NETSO	Within timetable to be defined in STC	Section D Part Two STC
	Preferred bidders enter into OFTO Construction Agreements with NETSO	Within timetable to be defined in STC	Section D Part Two STC
	Agree terms with offshore generators for transfer of assets (for transitional projects)	After preferred bidder is announced	Commercial agreement between offshore generator and OFTO
	Enter into interface agreement with offshore generator (site sharing and access arrangements)	Within timetable defined in STC and CUSC	Section C Part Three STC
	Enter into transmission interface agreement with onshore transmission licensee (site sharing and access arrangements)	In accordance with STC	Section C Part Three STC
	Provide NETSO with information required under STC (data required for SYS, services capability specification as defined in STC)	In accordance with STC	Section C Part One STC (Services Capability Specification)
	Set up operational interfaces with NETSO	As defined in STC party entry process	Section Part B 3.2 STC

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
	Set up operational interfaces with transmission licensee or distribution licensee	As required by OFTO Construction Agreement	Section D Part 1 (2.7 for transmission licensee) and (2.8 for DNO) STC
	Set up operational interface with offshore generator	To be effective by Go Live (including time for testing) or by later time (reflect project specific requirements)	Section D Part 2 (15.1.1) STC
	Facilitate transfer of agreements with offshore generators to NETSO as required for offshore transmission regime	Share information with GBSO before Go Active (preferable)	Section 6 CUSC

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
DNO	Offer to enter into DCUSA bilateral agreements with NETSO	By NETSO application + 3 months	Standard condition 12 of the electricity distribution licence
	Enter into agreement with NETSO	By NETSO application + 6 months	Standard condition 12 of the electricity distribution licence
	Agree arrangements to terminate existing contracts not compatible with offshore transmission regime	By Go Active + 6 months	Requirement of contract with NETSO
	Offer to enter into contractual agreements with offshore generators	By Go Active + 3 months	Standard condition C8 of the transmission licence defines generator right to an offer of terms from GBSO.

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
Code Owners and Associated Panels	Facilitate accession of new offshore parties	From Go Active	CUSC and BSC (offshore generators) and STC (OFTOs)
	Facilitate election and appointment of OFTO representatives for GCRP and STC Committee	Pre Go Active	Grid Code General Conditions (and Constitution and Rules) and Section B of the STC

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
NETSO	Enter into contractual agreements with offshore generators and DNOs	By Go Active + 6 months	New requirements needed in transmission licence for NGET
	Invite generators with enduring connection agreements to enter into a Construction Agreement for generator build or late OFTO build		Requirement set out in CUSC
	Enter into Construction Agreements with offshore generators that choose late OFTO or generator build	To be effective by Go Live (for date required by specific projects)	Requirement set out in CUSC
	Submit NGET Construction Application to preferred bidder	Following preferred bidders' accession to the STC	Section D Part Two STC
	Enter into contractual agreements with OFTOs for provision of transmission services	Within timetable to be defined in STC	New requirements needed in STC
	Set up operational interfaces with offshore generators	Before Go Live (including time for testing)	Requirement of contract with offshore generator
	Set up operational interfaces with DNOs for embedded transmission connection points	Before Go Live (including time for testing)	Requirement of contract with DNO
	Set up operational interfaces with OFTOs	Before Go Live (including time for testing)	Requirement of contract with OFTO
	Provide information (and assistance by responding to queries) to tender process	Before Go Active and throughout tender process	New standard condition C25 of transmission licence
	Enter into transmission interface agreement with OFTOs	Within timetable to be defined in STC	Requirement of contract with OFTO
	Develop SYS publication to extend to offshore areas	Pre Go Active	Standard condition C11 of the transmission licence

Relevant Party	Relevant Activity	Timetable	Relevant Obligation
	Reflect new contractual parties when procuring balancing services for use after Go Live	To be confirmed	Requirement under relevant documents
	Update operational systems to include offshore networks (eg control room info)	To be effective by Go Live (including time for testing) or by later time (reflect project specific requirements)	Requirement under relevant documents
	Development of IS systems	To be effective by Go Live (including time for testing)	Requirement under relevant documents
	Transmission network use of system charging methodology in place that takes account of offshore	Before Go Live	Standard condition C5 of the transmission licence
	Publication of charging statement including offshore charges	2010	Standard condition C4 of the transmission licence
	Demonstration of Business Separation compliance requirements	From Go Active	Special conditions XX of the NGET transmission licence
	Extend governance arrangements to take on extended scope of codes	From Go Active	Standard conditions B12 (STC), C17 and D3 (GBSQSS), C14 (Grid Code), C3 (BSC) and C10 (CUSC) of the transmission licence and standard conditions 22 (DCUSA) and 21 (Distribution Code) of the electricity distribution licence. Governance arrangements defined in each code.