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Dear Yvonne and Kristina,

## **RenewableUK & Scottish Renewables SUBSTANTIVE ISSUES response: Implementing further refinements to the enduring regime**

RenewableUK (formerly the British Wind Energy Association (BWEA)) is the trade and professional body for the UK wind and marine renewables industries. Formed in 1978, and with over 660 corporate members, RenewableUK is the leading renewable energy trade association in the UK, representing the UK's wind, wave, and tidal energy companies.

Scottish Renewables is the representative voice for the renewable energy industry in Scotland, influencing the legislative, regulatory and financial framework to deliver the best possible conditions for the industry's growth on behalf of over 300 member organisations. The renewables industry is playing a crucial role in Scotland's efforts to tackle climate change and increase the nation's energy security, and must continue to do so in order to meet renewable energy and greenhouse gas emission reduction targets.

## **Management of the OFTO hand-over process**

Much progress has been made in the refinement of the OFTO regime, one outstanding issue that must be resolved in order to deliver a fully functional regime is addressing the management of the OFTO hand-over process. In the final stages of the generator-build OFTO allocation, there is the need for some mechanism to manage the practicalities of the handover. There are four reasons why this mechanism is needed:

- 1. The nature of the commissioning process.** As a project is commissioned, individual lines of turbines will be energised in turn. This process can take several months and under the current regime, the OFTO will not be in place until the end of the commissioning process. This will mean that generation could be occurring when transmission is forbidden. Further clarity of the definition of fully commissioned would be helpful as well. Is this taken as when first power is generated from the first turbine or when the wind farm has demonstrated capability at full load. An explanation of which approach is being taken and why would be helpful.
- 2. The OFTO of Last Resort (OoLR) Process.** RenewableUK and Scottish Renewables (SR) are very supportive of the inclusion of the OoLR. There is a need to consider the impact of the OoLR process on the hand-over of an asset. By its very nature the OoLR will be required at a late stage when a tender has failed, because of this a generation asset may be fully commissioned but unable to transmit due to the delay created by the OoLR.
- 3. The OFTO certification process.** After a successful generator-build OFTO tender process, Ofgem will be required to certify that the OFTO appointment is compliant with the 3rd package of unbundling. At present it is not clear what this certification process will entail, how long it will take or whether it is possible to run certification in parallel with the final stages of OFTO appointment. To account for this process and avoid delay some additional hand-over mechanism may be required.
- 4. The phasing of projects.** As projects get bigger they will need to be split into phases as sections of the wind farm will be serviced by different substation and export cables that are completed at different times. Greater Gabbard is an example of a project that has been delivered in phases. The added complexity from larger projects needs to be accommodated by the hand-over process.

RenewableUK and SR would like confirmation from DECC and Ofgem on what they are doing to address these problems in the hand-over process. A growing concern is that if unaddressed these issues will make the generator-build option unworkable. We would welcome the opportunity to discuss the solution to this in detail. We have previously

advocated that a transmission license exemption could be used to allow the generator to temporarily generate without an OFTO. This would allow a period of flexibility for these issues to be ironed out, while at the same time delivering the ultimate aim of separate transmission ownership. There are other mechanisms that could be used to address these problems, including ensuring the 3<sup>rd</sup> package is transposed in a manner that gives enough flexibility for the hand-over and also considering an interim OFTO assignment while final stage issues are resolved.

RenewableUK and Scottish Renewables intend to make a joint, full response to this consultation on the 29<sup>th</sup> November. If you have any questions regarding this submission then please do not hesitate to contact us.

Yours sincerely,



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RenewableUK



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