

Press Release

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EQUITIX, AMP CAPITAL AND BALFOUR BEATTY CONSORTIUM APPOINTED AS PREFERRED BIDDER FOR HIGH-VOLTAGE LINK TO GREATER GABBARD OFFSHORE WINDFARM

Green Energy Transmission (GET), a consortium comprising Equitix Ltd and AMP Capital Investors, together with Balfour Beatty Capital Limited has been selected by Ofgem E-Serve as the preferred bidder to own and operate the high voltage transmission link to the 500 MW Greater Gabbard offshore wind farm.

The GET Balfour Beatty consortium was selected following a tender process run by Ofgem E-Serve in which bidders compete to become offshore transmission owners (OFTOs). Greater Gabbard is the largest of the nine offshore wind farms to be involved in the first round of tenders to run offshore links which took place last year. The forecast value of the assets to be transferred to the prospective OFTO is £316.6m.

The selection of the consortium brings in further new investors to the offshore transmission regime, namely Equitix Ltd and AMP Capital Investors, alongside Balfour Beatty Capital Limited, who are also the preferred bidder for the Thanet project.

The decision on this project means all nine projects in the first transitional tender round now have preferred bidders identified. The first project (Robin Rigg) reached financial close and licence grant in early March 2011. Overall the first tender round attracted almost £4 billion worth of investment appetite to own and operate £1.1 billion worth of links.

Ofgem E-Serve's Managing Director, Commercial, Robert Hull, said: "Appointing a preferred bidder for the Greater Gabbard project, the largest project in the first transitional tender round, marks another important milestone for the offshore transmission regime. The introduction of two new investors also provides further evidence that the OFTO regime can deliver the billions of pounds of investment required to deliver the UK's renewable targets and cost savings for customers and developers. We now look forward to working with the developer and preferred bidder to ensure the OFTO is in place as soon as possible."

Last month Ofgem announced a short list of four bidders competing to own and run links to a further three offshore wind farms which are part of the second transitional tender round. The shortlisted bidders for the second tender round are competing to own and run connections to the Gwynt y Môr, Lincs and London Array (phase 1) offshore wind projects.

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Notes to editors

1. The Reserve Bidder for the project is Transmission Capital Partners (a consortium of Transmission Capital, Amber Infrastructure and International Public Partnerships (INPP))
2. Following an earlier process in 2010, the Invitation to Tender (ITT) stage was re-run for the Greater Gabbard project to enable a simplified transfer of the phased transmission assets to the offshore transmission licensee in accordance with the offshore regime commencement orders signed by the Secretary of State.
3. A full list of other projects in the first transitional tender round and the relevant preferred bidder and reserve bidders are set out below.

Project /MW	Forecast transfer value (£m)	Preferred Bidders	Reserve Bidders
Barrow (90MW)	36.5	TCP	MCGL
Gunfleet Sands 1&2 (164 MW)	48.2	TCP	MCGL
Robin Rigg (180 MW)	57.3	TCP	MCGL
Sheringham Shoal (315 MW)	182.2	MCGL	BBCL
Thanet (300 MW)	163.1	BBCL	MCGL
Walney 1 (178 MW)	101.8	MCGL	TCP
Walney 2 (183 MW)	105	MCGL	TCP
Ormonde	101.1	TCP	BBCL

- 4 The offshore regulatory regime for licensing offshore electricity transmission uses competitive tendering to ensure the cable connections are delivered on time and at a reasonable cost. It is the first time that Ofgem has used competitive tendering in this way. The first phase of the regime involves two transitional tender rounds and opens the way for transmission licensees to own and operate transmission assets for offshore renewable projects which have been or are being constructed by the offshore generator.
5. Subsequent tenders will be undertaken under an enduring regulatory regime which will enable Ofgem to run transmission investment tenders that allow for either:
 - OFTOs to design, build, operate and maintain the transmission assets,
 - Generators to build the transmission assets and then transfer to OFTOs under completion of construction.
6. Ofgem E-Serve was created in September 2009 as a new business unit focusing on delivery of Government sustainability projects. The regulatory functions of Ofgem, such as setting network price controls and monitoring the markets, continue under a separate business unit within the Ofgem Group.

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