

By Email: Project.Transmit@ofgem.gov.uk

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Dear Hannah,

12 April 2011

RE: Project TransmiT: next steps on connection issues

Our ref. 110412_TransmiT

Thank you for the opportunity to comment on your letter issued on the 22nd March 2011. DONG Energy is one of the leading offshore wind farm developers in the UK with 308MW of operational wind farms, a further 653MW under construction and approximately 1.5GW under development. We also have a newly commissioned 824MW CCGT plant in South Wales.

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DONG Energy is broadly supportive of the proposals set out in your TransmiT update letter. We support the proposed high level principles Ofgem want to underpin an enduring solution on user commitment, and we would expect any CUSC modification to be undertaken with these principles in mind. Thus we do not see the need for Ofgem to specifically consult on these principles in the context of user commitment.

DONG Energy supports the CUSC Modification Proposal CMP192 as it currently stands, and will be fully engaged with the CUSC process. In response to your request for views on the high-level proposal as it currently stands we would like to highlight these specific points, which deserve further consideration:

- Our main concern around the User Commitment process is the timing of the financial commitment, where we are often asked to secure a large amount of works before consent has been obtained and a final investment decision has been reached.
- The four year underwriting period prior to disconnection is not aligned with the one year and five days minimum notice period required to avoid the TEC reduction charge.
- In total, the overall level of security provided to National Grid should not increase if the CMP192 proposals are adopted. That is, we would expect new generators' user commitment liabilities to decrease as a result of the introduction of the proposed closure liability.

Finally, we support the proposal to develop a TO licence reporting obligation to facilitate timely connections. We agree that reporting on timing issues raised by the TOs and generators, and the process of mitigating potential risks and issues

is an appropriate starting point. This would increase transparency, and would allow generators to better evaluate the status of the grid for future connections.

Yours sincerely
DONG Energy

A handwritten signature in black ink, appearing to read 'Ebba John', with a stylized, cursive script.

Ebba John
Regulatory Affairs Adviser