



DP Marine Energy Limited  
Mill House, Buttevant,  
Co Cork, Ireland  
Tel: (+353) (0) 22 23955  
Fax: (+353) (0) 22 23027  
E-mail: [simon.depietro@dpenergy.com](mailto:simon.depietro@dpenergy.com)

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Gareth Atkins  
Offshore Coordination  
Ofgem  
9 Millbank  
London  
SW1P 3GE  
March 1, 2013

Ofgem Reference: 164/12

**Consultation on a proposed framework to enable  
coordination of offshore transmission.**

**DP Marine Energy Response**

Dear Gareth,

Thank you for your consultation. We enclose our response as follows:

DP Marine Energy (DPME - part of DP Group Ltd) and DEME Blue Energy (DBE - part of the DEME Group) have undertaken a joint venture for the development of up to 400MW tidal energy in West Islay – the West Islay Tidal Energy Project (WITEP).

The project has a 400MW connection agreement with National Grid and is therefore on the TEC register. Our previous confidential correspondence of 18<sup>th</sup> December 2012 regarding the Update on the Integrated Transmission Planning and Regulation Project (ITPR) gives a detailed summary of the project and background on arrangements for connection and system planning.

You will see from our ITPR letter that we are investigating and considering several different connection options. In our view the CION process would be a useful way to develop those options with the NETSO and relevant TOs.

One of those options is Generation-Focused Anticipatory Investment (GFAI) where WITEP would share a connection with an adjacent offshore wind farm. It is envisaged that the wind farm would build a larger connection asset for WITEP. We have a number of concerns with this option and associated processes which we would like you to consider i.e.

1. We have no certainty that the other party (a completely independent party) will proceed and have no control over their delivery timescales.

2. If we place securities and accept liabilities under user commitment that represents a considerable commercial risk, in return what recompense do we have in terms of liquidated damages if the other party delays or is delayed?
3. Given the above we do not expect that we could secure finance and therefore it seems that GFAI is not a workable option for this project (and by implication any others in a similar position).
4. Our project is phased over many years and in our opinion there are more cost effective options to connect our initial generation especially as our first phase generation is expected to be before the first generation in the adjacent windfarm.

Please accept my apologies that we have not answered the individual questions as we wanted to focus Ofgem's attention on the specifics of our project.

We would be pleased to meet with you and discuss the specifics of our project in more detail.

Yours sincerely,

Simon de Pietro  
Director, DP Marine Energy Ltd  
**DP Marine Energy and DEMA Blue Energy Partnership**