



Blue Transmission Investments Limited
The American Barns
Banbury Road
Lighthorne
Warwickshire
CV35 0AE

25 October 2013

Catherine McArthur
Enduring Regime Implementation
Ofgem E-serve
9 Millbank
London SW1P 3GE

Dear Catherine,

Offshore Electricity Transmission: Consultation on implementation of the Generator Commissioning Clause in the Energy Bill 2012-13

We would like to thank you for providing us with the opportunity to respond to your consultation.

This response has been drafted as a result of consultation between Blue Transmission's owners Barclays Infrastructure Funds Management Limited, Diamond Transmission Corporation (a wholly owned subsidiary of Mitsubishi Corporation) and their management service provider Frontier Power Limited. Blue Transmission Investments Limited is the owner of four Offshore Transmission (OFTO) businesses: Blue Transmission Walney 1 Limited, Blue Transmission Walney 2 Limited, Blue Transmission Sheringham Shoal Limited and Blue Transmission London Array Limited and our response set out below is based upon experience gained in bidding for and completing the transfer of the OFTO assets of these four businesses:

CHAPTER: Two
Question 2.1: Do you agree with our proposal to split the ION into an ION Part A and ION Part B? Please provide reasons to support your answer.
We agree that splitting the ION into two part (A & B) is a sensible approach to ensuring that the trigger point for the completion notice aligns as closely as possible with the point at which the offshore transmission assets can be said to be 'technically ready', whilst offering minimal disruption to existing industry codes and practices for commissioning of offshore transmission assets. However, whilst at this point the transmission assets can be said to be "technically ready", until the transmission cables have been subjected to a series of significant loading cycles, there is still a material risk of cable failure due to undetected issues that may have arisen during manufacturing and/or installation.
Question 2.2: Do you agree with our assessment of the options for the completion notice trigger point? Please provide reasons to support your answer.
We agree with Ofgem's assessment of the options for the completion notice trigger point and have no additional points to make in support of that assessment (beyond those already made by Ofgem).

Question 2.3: Do you agree that ION Part B represents the best trigger point for the completion notice? Please provide reasons to support your answer.

We agree that the proposed ION Part B, if implemented, would be the best trigger point for the completion notice. This is because, as Ofgem point out, '...it represents the best point at which an offshore transmission network could be said to be technically ready...'. However, we suggest that Ofgem gives further consideration to the course of action it would propose to deal with a major failure event (e.g. a cable fault which could take up to 6 months to repair) if it should occur after the ION Part B is issued. One way of dealing with this would be to suspend the completion time whilst the fault is rectified but Ofgem has mentioned that such matters would be dealt with on a case by case by case basis. Where possible we suggest Ofgem give due consideration to this particular scenario in their policy and regulatory design.

Question 2.4: Are there any other points in the commissioning process that you feel we haven't considered in the options above that would be a more appropriate point for triggering the completion notice? Please provide reasons to support your answer.

There are no other points in the commissioning process for offshore transmission assets that we believe Ofgem should have considered in their assessment.

Yours sincerely



Iain Cameron
General Manager
Blue Transmission Investments Limited