

25 October 2013

Catherine McArthur
c/o Offshore.Enduring@ofgem.gov.uk
Enduring Regime Implementation
Ofgem
9 Millbank
London
SW1P 3GE

Dear Catherine,

**Energy Networks Association OFTO Forum –
Response to consultation on implementation of the
Generator Commissioning Clause in the Energy Bill 2012-13**

Energy Networks Association (ENA) is the industry body for UK and Ireland electricity and gas distribution and transmission companies.

This response to Ofgem's consultation on implementation of the Generator Commissioning Clause in the Energy Bill 2012-13 is submitted by ENA and is in addition to and in support of the individual responses of the members of the ENA's OFTO Forum.

We are generally supportive of the positions taken by Ofgem in this consultation document - our detailed responses to the consultation questions are attached to this letter as Appendix 1.

If you have any follow up queries please get in contact Richard Le Gros, Secretary to the OFTO Forum at ENA, on 0207 706 5132 or richard.legros@energynetworks.org.

Yours sincerely



David Smith
Chief Executive

Appendix 1 – ENA OFTO Forum response to consultation on implementation of the Generator Commissioning Clause in the Energy Bill 2012-13

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.

Answer 2.1: We agree that splitting the ION into two parts (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.

Answer 2.2: 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.

Answer 2.3: 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, there is some variance in views amongst the members of the OFTO Forum regarding what should happen if there is a major failure event (e.g. a cable fault), with some OFTO Forum members proposing an automatic extension to the completion time and others agreeing with Ofgem that any extension should 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.

Answer 2.4: There are no other points in the commissioning process for offshore transmission assets that we believe Ofgem should have considered in their assessment.

Question 3.1: Do you agree that the proposed approach, that projects in flight be issued a completion notice when the code and licence modifications take effect and full commencement has occurred, is the most appropriate approach for such projects? Please provide reasons to support your answer.

Answer 3.1: We agreed that the Ofgem’s proposed approach, to issue completion notices when the code and licence modifications take effect and full commencement has occurred, is the most appropriate option for projects in flight. As described in the

consultation documentation this will give maximum certainty to those projects that will be effected with only a moderate potential 'extension' to the operating time for the asset prior to OFTO transfer in some cases.

Question 3.2: Do you consider any other possible approaches we have not outlined would be a more suitable solution for projects in flight? It should be noted that options are limited by the scope of the Clause.

Answer 3.2: We do not consider that there are any other possible approaches for projects in flight not already considered by Ofgem in the consultation document.

Question 4.1: We invite comments on all aspects of the proposed drafting provided in Annex 1. In particular, do you agree that the proposed licence modifications adequately implement the provisions in the Clause and our proposals set out in this document? Please provide reasons to support your answer.

Answer 4.1: No comment.

Question 4.2: Do you consider there are other licence modifications that are needed to implement the Clause? If so, please provide details.

Answer 4.2: We do not believe there are any other licence modifications required to implement the Clause.

Question 5.1: In addition to the specific questions in Chapter 2 of this document, we invite comments on all aspects of the proposed drafting provided in Annexes 2 and 3. In particular, do you agree that the proposed code modifications adequately implement the provisions in the Clause and our proposals set out in this document? Please provide reasons to support your answer.

Answer 5.1: No comment.

Question 5.2: Do you consider there are other code modifications that are needed to implement the Clause? Please provide evidence to support your answer.

Answer 5.2: We do not believe there are any other code modifications required to implement the Clause.