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Dear Catherine,

**Offshore Electricity Transmission: Consultation on implementation of the  
Generator Commissioning Clause in the Energy Act 2013**

**Summary / Overview**

We acknowledge the solutions identified by Ofgem in this consultation. We still have concerns with the implications of these arrangements for industry with regards to allowing the transfer of transmission assets from generators to OFTOs in the timeframes indicated by the Generator Commissioning Clause.

At this stage of the implementation of the Clause we would be keen to have clarification on a series of issues, mostly related to process, and we believe a contingency plan should be drawn up to define how Ofgem would deal with different scenarios. Ofgem considers an event capable of causing a delay in the transfer of the asset as an exceptional situation, and for this reason we believe that flexibility in the regulatory arrangements dealing with this possibility should be ensured: the lack of such an approach may increase the risk profile of offshore transmission projects, and may eventually have repercussions on Final Investments Decisions (FIDs) from developers.

In particular, questions we would be grateful to see addressed include:

- Will there be differences in Ofgem's behaviour with regards to delays cause by different events? Will delays related to the negotiation process be treated differently from delays caused by technical issues (e.g. physical failures of cables or transformers)?
- Will issues be considered on a case by case basis? Under which situations would Ofgem consider intervening to try and resolve the issue causing the delay in the transfer of the asset?
- How should a generator engage with Ofgem to raise an issue which may lead to delays in the transfer of assets? When should such an engagement be taken forward?
- What measures can be put in place by Ofgem to avoid that a generator may be prosecuted for exceeding transfer timeframes? Could an exemption from the SoS be obtained? How would such an exemption work? Who should craft such an exemption? Could both individual and class exemptions be crafted?
- What would happen if the preferred bidder is dismissed and this causes delays to the process leading to a situation where a generator would be unable to complete the transfer in the timeframes indicated by the Clause?
- Would Ofgem be able to enforce an OFTO to complete the transfer? Which sort of commercial solutions could be used for this purpose? Could Property Transfer Schemes (PTSs) be used? Could commercial arrangements be put in place to allow an OFTO to take on the risk of technical failure of the transferred asset?
- What would the consequences be for a generator in case transfer could not be completed within the timeframes indicated by the Clause? Would a generator be prevented from exporting power or would de-energisation take place? What would the consequences be for a generator of being in breach of the transmission licence?

## Introduction

RenewableUK is the trade and professional body for the UK wind and marine renewables industries. Formed in 1978, and with over 660 corporate members, RenewableUK is the leading renewable energy trade association in the UK, representing the large majority of the UK's wind, wave, and tidal energy companies. The association's response aims to represent these industries, aided by the expertise and knowledge of our members.

We welcome this Ofgem consultation, are strongly supportive of the OFTO regime and want to continue to improve its workability. So far offshore transmission has all been achieved under "generator build". It is vitally important that generator build continues to improve and that Ofgem and industry learn from experiences to date to improve the regime. We consider this consultation on the Generator Commissioning Clause a very important step forward to enable an effective "generator build" option, and are keen to offer an industry perspective on the issues being discussed by this document.

## CHAPTER: Two

*Question 2.1: Do you consider, based on the analysis presented, that Option 1: ION Part B is the best point at which to issue a completion notice in line with the requirements of the Clause? Please provide evidence in support of any other option.*

Although we believe, as highlighted in our previous response to the September consultation on the Generator Commissioning Clause, that other solutions may have provided generators with more guarantees of being able to transfer the assets in the timeframes indicated by the Clause, we agree that ION Part B is the best point at which to issue a completion notice in line with the requirements of the Clause.

*Question 2.2: Do you have any further comments about our minded-to completion notice trigger point?*

We do not have any further comments about Ofgem's minded-to completion notice trigger point.

*Question 2.3: Do you feel that any further clarification is necessary to aid your understanding of how the Clause will work in practice for phased and /or staged projects? If so, please stipulate which points require further clarification.*

We don't feel that any further clarification is necessary to aid our understanding of how the Clause will work in practice for phased and /or staged projects.

*Question 2.4: Do you consider that there are WNBI or GFAI projects that would create a need for us to consider further the implementation of the Clause at this stage?*

We do not you consider that there are WNBI or GFAI projects that would create a need for Ofgem to consider further the implementation of the Clause at this stage.

### **CHAPTER: Three**

*Question 3.1: Do you have any comments in relation to our minded-to position for implementation of the Clause in respect of projects in flight?*

We agree with Ofgem's minded-to position for implementation of the Clause in respect of projects in flight.

### **CHAPTER: Four**

*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 transmission licence modifications adequately implement the provisions in the Clause and our proposals set out in this document? Please provide reasons to support your answer.*

No comment.

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

No comment.

### **CHAPTER: Five**

*Question 5.1: We invite comments on all aspects of the proposed drafting provided in Annexes 1 and 2. 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 evidence to support your answer.*

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.*

No comment.

We look forward to continuing to support development of the OFTO arrangements to help achievement of Government's energy policy objectives and we would welcome the opportunity to discuss our response and our suggestions further with Ofgem.

Yours sincerely,

Filippo Locatelli  
Offshore Wind Development Manager