



Pete Wightman
Ofgem
107 West Regent Street
Glasgow
G2 2BA
Offshore.coordination@ofgem.gov.uk

Regulation and Policy

Name Lewis Elder
Phone 07557758382
Email Lewis.elder@rwe.com

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Offshore Transmission: Non Developer-Led Wider Network Benefit Investment

Dear Pete,

Thank you for the opportunity to comment on your consultation Offshore Transmission: Non Developer-Led Wider Network Benefit Investment. This response is provided on behalf of RWE Innogy UK, a fully owned subsidiary of RWE Innogy GmbH.

We welcome the development of a regime to enable Non Developer-Led Wider Network Benefit Investment and agree with the intention to drive a reduction in overall transmission costs for extensive offshore wind development and reduce the cost to the consumer.

We are concerned about the potential impact on generators in the event of non developer-led WNBI, which may interfere with the contractual arrangements for the associated OFTO providing its link to the transmission system. Once a transmission link has been transferred to an OFTO, any works which connect the WNBI link to the now OFTO-owned offshore hub could lead to temporary outages or reduction in availability, which impact connected offshore generators. Further, the proposed regime is unclear on whether the generator would be included in discussions with any proposed non developer-led WNBI. Considering the existing OFTO regime places the risk of unavailability of transmission assets heavily on the generator (i.e. losses incurred by generators hugely outweigh the losses suffered via the 'availability incentives' as granted in the OFTO regime) we suggest that further consideration is required to consider fair and reasonable risk-reward mechanisms for any generators and OFTOs impacted by non developer-led WNBI.

We welcome the opportunity to discuss this issue with you further. Please do not hesitate to contact me if you require any further information in relation to our response.

Yours sincerely,

Lewis Elder
Grid Regulation Analyst
RWE Innogy UK

RWE Innogy UK

Auckland House
Lydiard Fields
Great Western Way
Swindon
Wiltshire SN5 8ZT

T +44 (0)8456 720 090
F +44 (0)8456 720 050
I www.rweinnogy.com/uk

Registered office:
RWE Innogy UK Limited
Auckland House
Lydiard Fields
Great Western Way
Swindon SN5 8ZT

Registered in England and
Wales no. 2550622