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Groups, and other interested
parties

Direct Dial: 0207901 7060
Email: min.zhu@ofgem.gov.uk

Date: 13 May 2014

Dear Stakeholder,

Evaluation of OFTO Tender Round 1 Benefits - Report prepared by CEPA & BDO

We are publishing today a report that Ofgem has commissioned from the independent consultants CEPA and BDO to assess the outcomes of the offshore transmission owner (OFTO) tender round one (TR1).

CEPA and BDO conclude that the OFTO regime has resulted in significant cost savings, which will help to lower consumer bills directly or over time. Specifically for TR1, with a total lifetime OFTO income of £1.5bn, the consultants estimate that the cost savings[1](excluding tax) against plausible counterfactuals are:

- £280m-£400m relative to merchant solutions, driven primarily by more efficient allocation of risks leading to lower market pricing of such risks; and
- £200m-£250m relative to price control based solutions, driven primarily by competition leading to the adoption of more efficient operating strategies and the revelation of efficient costs.

Whilst focusing their analysis on TR1, the consultants also note potential further cost savings from subsequent tender rounds. For example, applying the same analysis methodology to London Array (the first project in tender round two to have reached financial close), the cost savings, as a percentage of asset value, could be 20-30% higher than for the TR1 projects.

The consultants regard that the outcomes of TR1 illustrate the benefits arising from introducing competition in the delivery of energy infrastructure services which could be applied elsewhere. At the same time, they note that the particular results of this analysis are context-specific to TR1 and to the contestable opportunity that was created for the underlying nature of the assets in question. In particular, they point out that there is limited extent to which lessons can be drawn for the onshore transmission network, as OFTO assets are of a materially different scale and risk profile to a full electricity transmission network.

[1]All cost figures quoted in this paper are NPV in 2009/10 prices.

We are keen to undertake continuing evaluation of the OFTO regime. We welcome your comments on the report by CEPA and BDO, including the methodology adopted and the conclusions that we should draw as a result. Please send your responses to Andrew.stone@ofgem.gov.uk by 4 August 2014. If you have any questions on this paper or the report, please contact Andrew Stone, telephone 0207 9017035.

We intend to support this consultation with a stakeholders' workshop in June to allow CEPA and BDO to present their report and its underlying methodology. You will be notified of relevant details of this workshop in due course through publication of an invitation on our website.

Following the closing of the consultation we will publish responses that we have received along with our assessment of the outcome of OFTO TR1 as informed by the report and this consultation.

Yours faithfully

Min Zhu
Associate Director Offshore Transmission

Annex 1 Evaluation of OFTO Tender Round 1 benefits – Executive Summary

EVALUATION OF OFTO TENDER ROUND 1 BENEFITS

THE OFFICE OF GAS AND ELECTRICITY MARKETS

MAY 2014

FINAL REPORT – EXECUTIVE SUMMARY

Prepared by:

Cambridge Economic Policy Associates Ltd

In association with:

BDO LLP

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1. Executive summary

In 2009 the Government and Ofgem introduced a new licensing model, combining aspects of both competition and regulation, to deliver offshore electricity transmission infrastructure in Great Britain (GB). Unlike in other jurisdictions, this involves a competitive tender process to appoint new offshore electricity network operators who have the responsibility for operating newly constructed electricity transmission network assets, which connect offshore electricity generation (wind farms) to the shore.

A consortium of CEPA and BDO[2] has been engaged by Ofgem to assess the benefits that may have been achieved from the introduction of this competitive Offshore Transmission Owner (OFTO) regulatory framework as applied to the first round of projects tendered under the regime - Tender Round One (TR1).

This report sets out the methodology we have used to assess these benefits, our findings on the estimated cost savings that have been realised from applying the OFTO regime to the TR1 projects and how those savings may have been distributed between different industry parties (that is, consumers and generators) through the funding arrangements for offshore wind and offshore transmission in GB.

1.1. The Transitional OFTO regime and TR1 outcomes

During the OFTO framework's development, there was recognition that for a number of projects, the offshore generator developer had already started construction or was undertaking steps towards construction. The Government and Ofgem therefore developed a Transitional OFTO regime that would apply to those projects that had either awarded construction contracts or started construction works.

As with the regime that was expected to apply on an enduring basis to all future offshore transmission projects (the "enduring regime"), this involved a tender process to award an OFTO with an offshore transmission licence that provided the right to receive a regulated income for providing transmission services. However, in the case of the Transitional regime, where the assets were already constructed, the OFTO would only be responsible for financing the operation and maintenance of the assets, post construction.

Transitional tenders were applied to projects that qualified for the offshore tender process by 31 March 2012 and only where the transmission assets had been or were being constructed by the offshore developer, then transferred to an OFTO. The Transitional regime and how it has been applied to the first round of *operational* projects tendered under the OFTO regime (TR1) is the focus of the benefits evaluation study.

[2] The majority of the report analysis and its findings has been prepared by CEPA. BDO as part of a consortium have supported CEPA with a review of the bids submitted in the TR1 process and a review of the modelling undertaken.

Competitive asset specific based licensing regime

Unlike some of the alternative options considered at the time by the Government and Ofgem, the Transitional OFTO regime that has been applied to the TR1 projects is an "asset specific" based licensing approach. Ofgem – following a competitive tender process to identify a preferred bidder – granted licences to own and operate specific offshore transmission assets rather than for a whole offshore zone or geographic area (which is the approach, for example, adopted for onshore electricity transmission).

The OFTO operates specific, generation-related, transmission assets and takes on the responsibility for the operation and maintenance of those specifically defined transmission assets and their associated commercial risks. Unlike onshore electricity Transmission Owners (TOs), OFTOs for TR1 projects do not manage an integrated electricity transmission system but a dedicated radial connection, and this is one of the key differences between the existing offshore and onshore networks in GB.

The key building blocks of the regulatory revenue framework which then applies to OFTOs under the Transitional regime are as follows:

- The OFTO is entitled to a stable, 20 year, Retail Price Index (RPI) inflation-linked revenue stream (the Tender Revenue Stream (TRS)) in return for operating, maintaining and the decommissioning the transmission assets.
- The TRS is constant in real terms over the 20-year life of the OFTO licence – whilst the licence contains a price control, there are no price reviews as the TRS is fixed (in real terms) for 20-years at the tender process.
- OFTOs are incentivised to perform as efficiently and effectively as possible primarily through an availability incentive which means that OFTOs receive an availability-based revenue stream.[3]

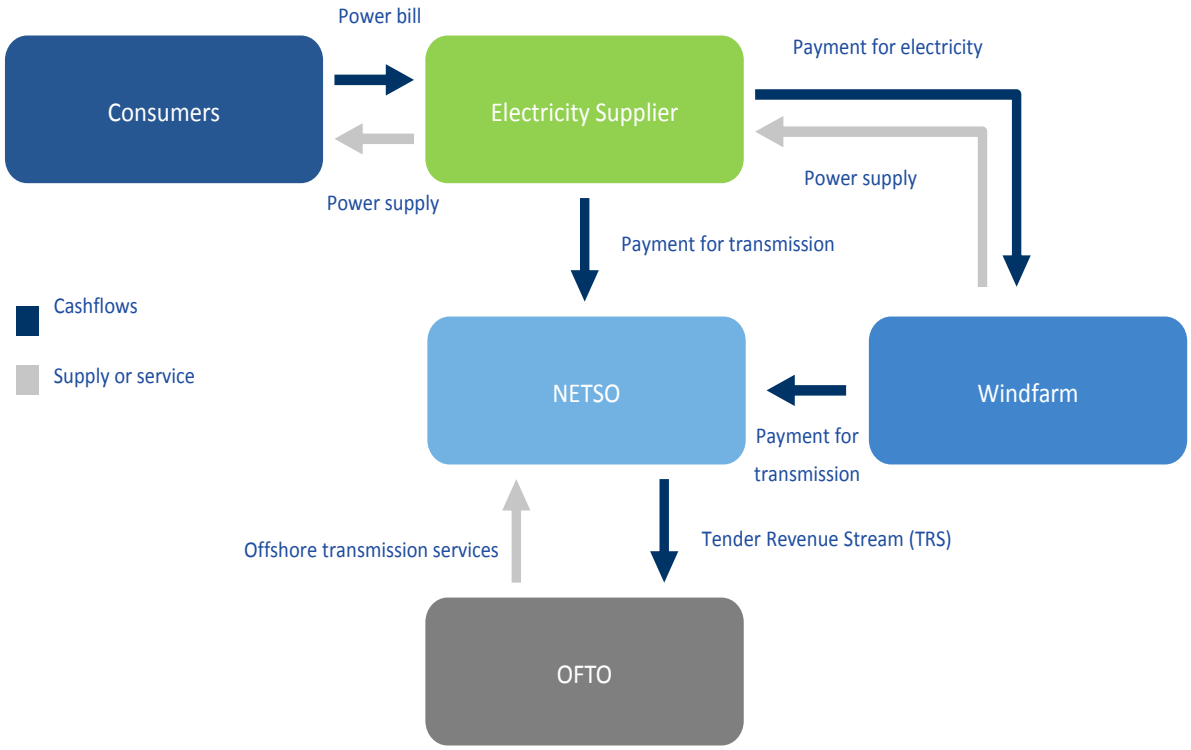
Cost allocation and payment flows

Importantly the TRS is paid to the OFTO by the GB NETSO (National Grid Electricity Transmission (NGET)) which then recovers these revenues as parts of its Transmission Network Use of System Charges (TNUoS) from generators and suppliers according to the principles of the GB TNUoS charging methodology – see Figure 1.[4]

[3] Drawing comparisons with the UK Private Finance Initiative (PFI).

[4] As described below, the current TNUoS charging methodology results in a proportion of the cost of offshore transmission being recovered from the specific offshore generator who uses the transmission assets. The remaining proportion of the cost is recovered through residual transmission charges paid by all suppliers and generators, who buy access to the transmission network.

Figure 1: Payment and service arrangements for offshore transmission



A consequence of the above is that the OFTO does not rely on the offshore generator for any of its revenue, thus reducing payment risk. Although the GB NETSO relies on the offshore generator to fund a proportion of an OFTO's allowed revenues[5], it is underwritten by the consumer should the offshore generator fail to pay its share. The adopted TNUoS charging approach, as the cost recovery mechanism for OFTO revenues, as a consequence, impacts on the allocation of the costs associated with the transmission projects tendered as part of TR1, as well as the allocation of certain risks between industry parties.

Tender Round 1 outcomes

Investors and financial analysts that have reviewed the Transitional OFTO regime and its specific application to TR1 have commented that it exhibit's a relatively favourable business and credit risk profile. The positive features of the regime which have typically been highlighted include: the long term inflation linked revenue stream of the OFTO; no exposure to the offshore generating asset; OFTOs receiving their revenue from a solid counterparty (National Grid) and constrained operational risks.

This was reflected in the favourable outcomes achieved in practice from the TR1 process. The competitive tenders saw a strong market response during a period of significant financial market volatility and uncertainty (the "credit crunch"). This included a large

[5] Through what are termed "local" TNUoS charges.

quantity of project finance attracted at reasonably keen rates.[6] The contestable process also helped introduce new providers of transmission services to the industry and tapped into a wider pool of international capital, partly by allowing a diversification of risk across the GB transmission sector, rather than concentrating it on the few existing operators.

1.2. Evaluation framework

We have undertaken an ex-post cost benefit analysis of the outcomes achieved from applying the Transitional OFTO regime to the TR1 projects.

Central to our approach, and consistent with HM Treasury Greenbook Guidance, is the development of counterfactuals to TR1 and a comparison of these to the outcomes observed under the Transitional OFTO regime. We consider the cost savings achieved by the Transitional OFTO regime under TR1 but also the distributional question of who may have benefitted from these savings.

A central part of our evaluation framework has, therefore, been determining and quantifying counterfactuals to the Transitional OFTO regime. In this context, the counterfactuals are what we consider to be internally coherent scenarios of what alternative policy options might have reasonably been expected to be implemented in the absence of the adopted policy.

The objective of our analysis has *not* been to identify what would be the most likely counterfactual to the policy that was actually implemented, but rather to seek to identify a broad range of *possible* counterfactuals which help identify the potential quantum, range and sources of costs and benefits, and how those costs and benefits may have been distributed between industry parties.

Determining the counterfactuals

Our counterfactuals start from two central alternatives to the OFTO regime:

- licensed merchant generation solutions; and
- alternative licensed price control based approaches.

We believe these two scenarios together cover a wide range of realistic alternative counterfactuals, including the policy options originally considered by the Government and Ofgem at the time of the OFTO regime's development.

We develop two counterfactuals for the merchant generation solution, one involving the generator owning the assets, the other involving a sale and lease back arrangement. We develop three counterfactuals under a price control based approach, two of which involve a scenario of extending existing TO licences to include offshore transmission and one involving a "zonal" offshore licensing approach to offshore transmission.

[6] For example, compared to observed margins on PFI deals at the time.

Quantifying the counterfactuals

Quantification of the outcomes under each of the developed counterfactuals needs to take into account what would have been most likely observed at the time, together with what had happened to date and what might happen in the future. Based on these principles, the assumptions used as our starting point for quantifying each of the counterfactuals are summarised in Table 1 overleaf.

The quantified costs of the merchant generation counterfactuals developed have been determined through the following key assumptions:

- Operating costs which are broadly consistent with preferred OFTO bidders operating costs as revealed through TR1. We would have expected the transmission service provider (e.g. in Counterfactual 2) to have taken advantage of generator provided O&M packages, where available, and the generation developer to have developed and procured a relatively low operating cost package.
- Cost of capital consistent with UK offshore wind generation operating under the Renewables Obligation, in the case of Counterfactual 1, and a cost of capital in the case of Counterfactual 2, which reflects the higher payment risks and exposure to the performance of the offshore wind farm when compared to the OFTO regime and regulated price controlled counterfactuals.

Similarly, the costs of the regulated price controlled counterfactuals have been determined through the following key assumptions:

- The *allowed* cost of capital used to determine allowed revenues. This is based on what Ofgem could reasonably have expected to have achieved at the time and subsequently over the life of the assets. It is not the actual cost of capital being faced, but rather what could have been granted by Ofgem at the time (without the benefit of hindsight) and used to set the regulated prices.[7]
- Operating costs of existing transmission operators and other unsuccessful bidders (compared to OFTO preferred bidders) as revealed through the TR1 bids and price reviews driving down costs over the licence term. There may be reasons as to why such amounts were bid[8], but it is difficult to suggest alternative assumptions given the revealed prices reflect the specific context of the TR1 projects.

[7] A difference between the allowed and actual cost of capital would involve a transfer of value from those parties that pay for the offshore transmission services to the investors in the transmission provider.
[8] For example, individual operators may have made particular operational and maintenance decisions as part of decisions on the more general commercial structure of their bids, including to address any perceived legal restrictions on particular operating solutions.

Table 1: Counterfactual descriptions and assumptions

Element	Counterfactual 1	Counterfactual 2	Counterfactual 3	Counterfactual 4	Counterfactual 5
Summary	A licensed merchant approach for the TR1 transmission assets	A variant of the licensed merchant counterfactual	Onshore TO ownership of TR1 assets under price controls	A variant of onshore TO ownership of TR1 assets under price controls	Offshore zonal TO licence for offshore transmission delivery
Description	The generator is responsible for design, build, ownership and operation of the TR1 assets with financing arrangements an entirely commercial relationship internal to the wind farm project	The generation developer designs and constructs the assets, but a sale and leaseback arrangement is introduced for the ownership and the operation of the transmission assets	Onshore TOs have their exclusive onshore transmission licences extended offshore, and offshore services are included within existing onshore price control arrangements	Onshore TOs have their exclusive onshore transmission licences extended offshore, but a dedicated offshore price control is applied to the offshore assets and offshore services	Exclusive multi-zone offshore transmission licences where the TO is licensed (potentially through a competitive tender) for an entire offshore geographical zone and is then obligated to develop any future connections[1]
Counterfactual regimes					
Price controls?	No	No	Yes	Yes	Yes
Price reviews?	No	Potentially	Yes	Yes	Yes
Cost recovery	Through wind farm	Via lease back contract	TNUoS charges	TNUoS charges	TNUoS charges
Form of regulation	Not applicable	Not applicable	Ex-ante	Ex-ante	Ex-ante
Form of regime	Part of wind farm	Lease back terms	Revenue cap	Revenue cap	Revenue cap
Contestability	Potentially	Yes	No	No	Potentially

Source: CEPA analysis

Note 1: the TR1 assets are adopted as operational by a licensee

There is of course uncertainty of what the costs would have been for each counterfactual and for this reason we have developed ranges for both the counterfactual financing and operating cost assumptions. We also have subjected assumptions which form the starting point for the cost benefit analysis to sensitivity analysis.

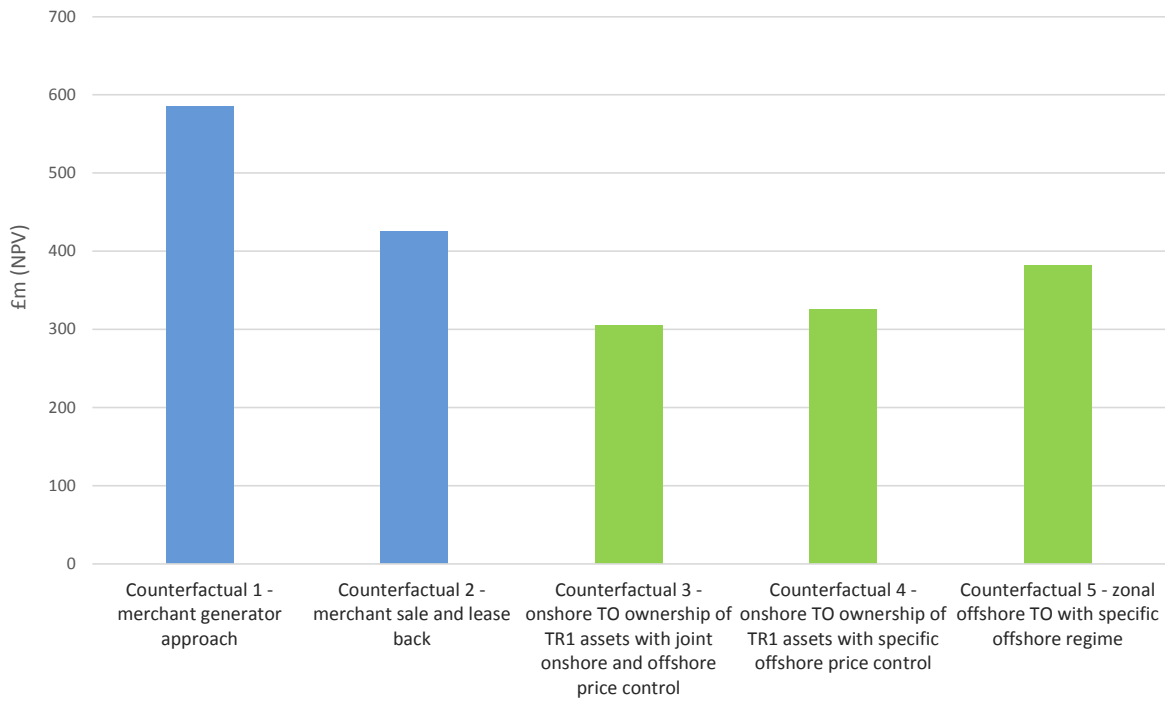
1.3. Measuring the cost savings

As the first step in the cost benefit analysis, we have quantified the cost savings from the TR1 projects having been delivered under the contestable Transitional OFTO regime as compared to if they had been delivered under the counterfactuals and the assumptions used to quantify the counterfactuals. We have then sought to identify the source of the cost savings (for example, from financing cost or operating cost savings) and subjected the results of the cost benefit analysis to sensitivity assessment.

What are the key findings?

Based on our central counterfactual assumptions, the avoided costs (including tax savings) derived from the TR1 process compared to a range of merchant and regulated counterfactuals, are all greater in Net Present Value (NPV) terms than the £300m originally estimated by Ofgem (see Figure 2 below). This is our assessment of the cost savings achieved from the contestable OFTO process in TR1.

Figure 2: Cost savings by counterfactual (£m NPV)



Source: CEPA and BDO analysis

What is the source of the cost savings?

The Transitional OFTO regime exhibits cost benefits over all the counterfactuals. We have sought to identify the sources of the cost savings through comparing the component financing costs, operating costs, tax and bid costs for each counterfactual, to the outcomes under the competitive process for TR1. As Table 2 shows, the source of the cost savings differ depending on which counterfactual to the Transitional OFTO regime is chosen.

Table 2: Estimated cost savings of the OFTO regime relative to each counterfactual (£m NPV)

Source of benefit	Counterfactual 1	Counterfactual 2	Counterfactual 3	Counterfactual 4	Counterfactual 5
Financing costs	380	266	8	17	84
Operating costs	49	49	232	232	172
Tax savings	191	146	112	112	126
Bid costs	-35	-35	-35	-35	-
Total (INC tax)	585	426	306	326	381
Total (EXC tax)	**394**	**279**	**205**	**214**	**256**

Source: CEPA and BDO analysis

Interpreting the results

In the case of the merchant generation counterfactuals, Table 2 shows that the cost benefits are driven by *lower financing costs*. This arises, in our view, from an optimal risk allocation, specifically as regards:

- lower payment (counterparty) risks under the OFTO approach, as a result of NGET (and ultimately consumers) guaranteeing payments;
- no exposure of the appointed OFTO to the performance of the associated offshore wind farm; and
- the degree of consumer underpinning of regulated investment which exists, as compared to the merchant counterfactuals.

The OFTO regime involves an allocation of relatively low probability but high impact stranding risks to consumers compared to the merchant counterfactuals, as well as allowing a combination of contestability for, with regulatory treatment of, transmission assets which form an integral part of offshore generation projects. In short, this appears to amount to a relatively optimal approach and allocation of risk from a pricing perspective given the nature of the contestable opportunity created.

In the case of the regulated price controlled counterfactuals, Table 2 shows that the savings arise from lower operating costs associated with the likely path of these costs over time. The scale of the saving depends upon the view as to:

- the speed at which the process of price control reviews would have moved the projects to the efficiency frontier; and
- whether price reviews would have overcome challenges of regulatory asymmetry of information by setting prices through a price review negotiation, rather than contestable process of revealed pricing.

We believe that the key attributes of the implemented OFTO approach in TR1, including the contestable nature of the OFTO regime and the clear risk profile for TR1's post construction assets, are also the source of the cost savings which we estimate when comparing to the regulated price controlled counterfactuals:

- The OFTO approach helped define the true risk profile of the TR1 assets. In contrast, for Counterfactual 3, we believe it would have been more difficult to isolate the risk profile of the OFTO from the rest of the transmission 'project portfolio' resulting in higher allowed financing costs.[9]
- If compared to a scenario where a relatively low cost of capital is assumed in the counterfactual[10], the low risk profile of the OFTO regime and the contestable opportunity created, still appears to have allowed financing costs under the OFTO approach roughly equivalent to that allowed for low risk RAB-based financing.

Even if a dedicated offshore price control review approach (as developed under Counterfactual 4) had been possible for TR1 projects, in the absence of contestability would Ofgem have been able to negotiate pricing that reflected the true underlying risk profile? This is debatable, but highlights the key difference between the contestable OFTO regime applied and the regulated price control counterfactuals which might have instead relied on benchmarking methods and offshore transmission provider's revealed costs under the price controls applied to the TR1 projects.

What can be drawn from the above?

We believe the analysis shows that revealed prices through a contestable process are useful in understanding true costs. This was possible because the 'market offer' reflected a clear set of risks that allowed efficient, competitive pricing. It is difficult to see how this clarity and similar outcomes could have been realised through a more price regulated based regime in the context of these specific offshore assets.

[9] Financing costs are lower in Counterfactual 3 compared to Counterfactual 4 as a result of the relative regulatory treatment of allowed debt costs in each counterfactual. The allowed cost of equity for Counterfactual 4 is lower than for Counterfactual 3 but Counterfactual 3 is based on projected changes in an indexed allowed cost of debt, whilst Counterfactual 4 is based on an embedded cost of debt allowance set to reflect financing costs at the time within a specific offshore price control.

[10] For example, Counterfactual 4, developed as variant to Counterfactual 3 with the objective that it reflects the application of a dedicated price control for operational transmission assets.

Whilst there may be other instances where such a set of circumstances would allow this – that is, where there are other highly marketable transmission assets of sufficient scale and appropriate scope – there are limits as the extent to which lessons can be drawn for the onshore transmission network. The results are context-specific to TR1 and the contestable opportunity that was created for the underlying nature of the assets in question.

Post construction OFTO assets for TR1 are point-to-point generation connection wires outsourced to third party providers. These features, coupled with the regulatory framework applied, has created a relatively low risk profile for OFTO investors. In turn, this approach has created highly contestable bidding opportunities, attracting significant operator and investor interest. However, in reading across to what might be implied for the onshore regime, it is important to recognise that TR1 OFTOs are of a materially different scale and risk profile to a full electricity transmission network.

1.4. Distribution of the cost savings

TR1 has produced overall cost benefits arising from different sources: financing costs when compared to merchant counterfactuals and from operating costs in terms of price controlled counterfactuals. But who are the ultimate beneficiaries of these cost savings, in terms of different groups and specifically final consumers?

It may on first appearances seem that who benefits is a relatively straightforward question to answer: the offshore wind farm uses the offshore transmission assets, consumers benefit from the generation they produce and consumers (eventually) pay the full costs of offshore transmission. Therefore, any costs savings derived from a particular approach to the delivery of offshore transmission should ultimately benefit consumers.

In practice, however, the question is much more complicated due to the charging arrangements for offshore transmission and the market and subsidy support arrangements for offshore wind. As all of these aspects are interlinked, it is important to ensure that the counterfactuals reflect this.

Comparisons with regulated price control counterfactuals

For the regulated price control counterfactuals, we think it is likely the cost allocation approach applied and therefore the flow of any benefits would have been consistent with the OFTO regime – that is, under the latter, a proportionate share of the socialised cost savings would be likely to flow to consumers, although because of the structure of the transmission charging regime, generators will have received c.70-80% of the benefits through a reduction in their TNUoS charges.

As a result, under this scenario both generators and consumers will have benefited from the savings derived by the contestable OFTO approach. For clarity, this means that GB consumers will have benefited directly from the estimated reduction in the socialised share of the offshore transmission cost base associated with the TR1 projects, with offshore generators receiving lower TNUoS charges benefitting investors in those specific projects.

Comparisons with merchant counterfactuals

The comparisons with merchant counterfactuals are more challenging as the treatment of transmission costs is different; and assessing the flow of benefits depends upon what is assumed regarding the level of administered subsidy that accounts for transmission costs in the overall offshore generation support regime.

Under the merchant counterfactuals, offshore generators would have directly paid for the full costs of the offshore transmission connection, rather than sharing the costs with customers as in the case of the price control counterfactuals. The key question is whether or not the support regime in the merchant counterfactuals would have compensated them for these additional costs, as the position of the consumer also needs to take into account the level of subsidy provided to the generators, if the two types of regimes are to be compared.

If the merchant counterfactuals were to involve the same subsidy contribution to transmission costs through the same level of ROC support as now, then consumers would not have benefited from the OFTO regime as all cost savings would have flowed to generators.

However, if subsidy levels would have had to be higher in the merchant counterfactuals to reimburse generators for the higher proportion of offshore transmission costs allocated to them under the merchant approaches (and thereby holding generator returns constant between the merchant counterfactuals and the OFTO regime), consumers would be better off in the OFTO regime because of the lower level of overall subsidy required in the OFTO regime as opposed to the merchant regime (even though the cost savings on OFTOs would flow in entirety to the generators). Clearly the extent of any benefits in this trade-off would depend upon the level of ROC support allowed for offshore wind.

In return for this reduced subsidy, however, additional (e.g. stranding related) risks have accrued to consumers under the applied OFTO regime, which must be balanced against the savings in subsidies that may have been achieved due to the OFTO regime, reflecting the trade-offs often faced in creating new contestable investment opportunities. However, at a minimum, cost savings achieved by the OFTO regime can be considered to apply downward pressure on the subsidy levels needed in future to achieve offshore wind hurdle rates.

1.5. Implications for price discovery

Whilst it is important to realise that the OFTO regime cannot be replicated everywhere, a lesson to be drawn is that where such opportunities do exist and any trade-offs are acceptable, such approaches should be actively considered. It is arguable that the TR1 process has moved the industry closer to the efficiency frontier quicker than may have been possible under alternative policies and potentially this should be reflected in the future assumptions that are made for subsidy costs in the UK. In other words, competition involving revealed pricing can be employed where it is possible to structure such approaches.

Where subsidy prices are administered and set to reflect costs at an industry rather than individual project level, the effect of reducing offshore transmission costs, if reflected in subsidy prices, could potentially be amplified in future as Crown Estate Round 3 wind farm

project costs, for example, are reduced for the marginal project. The Electricity Market Reform (EMR) delivery plan, for example, applies a Contract for Difference (CfD)[11] strike price of £155/MWh for qualifying offshore wind projects up to 2015/16 falling to £140/MWh by 2018/19 and may already reflect reduced offshore wind industry costs at the margin, as a result of the OFTO regime.

1.6. Conclusions

The OFTO approach adopted has resulted in significant cost savings when compared to plausible merchant and price control counterfactuals that might have been applied in the absence of the chosen approach; in the case of the former these arise from financing cost savings and in the case of the latter, operational costs. In turn, these reflect the optimality of payment risk allocation viz-a-viz the merchant regime and the benefits of contestability in terms of revealing pricing when compared to the price control counterfactuals (although caution is warranted in terms of any comparisons with the wider onshore electricity transmission regime).

Understanding the distribution of benefits is much more complex. Whilst the consumers is in a better position due to overall lower transmission costs as compared to the price control counterfactuals, which would appear to be allocated in the same way under both regimes, the outcome versus the merchant counterfactuals depends upon what is assumed regarding the level of support – paid for by customers – provided to offshore generators versus that in the OFTO regime. If a higher level of support were to have been provided to cover a higher allocation of offshore transmission costs under the merchant counterfactuals, the consumer would be likely in a better cost position in the OFTO regime due to the lower level of total renewable support costs, albeit in return for taking on certain, relatively remote, stranding risks.

[11] CfD Feed-in-Tariffs (FiTs) are part of a number of proposed reforms to renewable electricity support arrangements in the UK for offshore wind and other low carbon generation technologies.