



Offshore

Transmission News

20 August

Issue 5



Welcome to our new e-format newsletter.

This issue we're marking a milestone: laws supporting the Offshore Transmission Regime came into full effect in June. We've also shortlisted bidders for the offshore transmission systems of the Westernmost Rough and Humber Gateway windfarms. It's our third tender round for offshore transmission projects, and our first under the enduring regulatory regime.

In this newsletter, we'll explain what this means, alongside our usual round-up of all our latest news, tender updates and events.

We hope you find our new e-format useful, but if there's

[About Offshore](#)

[Offshore tenders](#)

[Policy development](#)

[Contact us](#)

anything else you'd like to see or something you'd like us to do differently, [let us know](#).

News in brief



Offshore Transmission Regime 'fully commenced'

On 10 June, the regime 'fully commenced'. This means all the building blocks are now in place to ensure all offshore electricity transmission activity is sufficiently regulated.

It includes enabling us to license Offshore Transmission Owner (OFTO) Build projects, which is another way investors can engage in offshore transmission projects.

About 'Full Commencement'



Putting transmission systems to the test

The Generator Commissioning Clause came into effect on 10 June.

This will give wind farm developers 18 months to legally test transmission and commission systems before transferring them to an OFTO.

It also helps to more quickly reassure OFTOs and investors that the assets they're buying are fit for purpose.

About the Generator Commissioning Clause



Offshore Tender Round 1 saves consumers up to £400 million

A report looking at the benefits from Offshore Tender Round 1 (TR1) estimates it will save consumers £200-400 million over the projects' lifetimes.

The report was produced by independent consultants, and also predicts that there could be considerable savings from future tender rounds. We're encouraged by the findings, as it shows the regime is bearing down on costs for consumers.

We recently asked for comments on the report and are currently looking at the responses.

Evaluation of OFTO TR1 benefits

Latest tenders and transactions

Bidders shortlisted for Westernmost Rough and Humber Gateway windfarms

In March we launched the third tender round of the OFTO regime, under which the transmission links of the Westernmost Rough and Humber Gateway windfarms are being tendered.

Today we announced a shortlist of four bidders who will compete to own and run these transmission links, which are worth around £400m in total. [Read more](#)



Interactive map: see the locations of projects we're tendering and their estimated value.



West of Duddon Sands transmission goes Blue

On 9 July, we appointed Blue Transmission as the preferred bidder for the £296 million West of Duddon Sands offshore transmission system.

This was the last of the transitional tenders to reach this stage. We selected Blue Transmission through a competitive process, where bidders compete to become OFTOs. [Read more](#)

Ofgem OFTO projects win industry awards

Two projects we ran tenders for have been recognised at industry awards, reflecting the high profile of OFTO transactions and their reputation for innovative solutions.

At the Infrastructure Journal Awards 2014, the transmission asset sale for London Array, the highest-value project we have tendered to date, won 'Deal of the Year – Renewables'.

Greater Gabbard won the silver award in the 'Best Waste / Energy / Water Project' category at the Partnership Awards 2014.

Offshore wind investment contracts awarded by DECC

DECC announces intention to amend the Ownership Unbundling Provisions

Consultations and events



OFTO Build

October 2014

We are looking at ways we can make the OFTO Build model more flexible to meet the different needs of future offshore wind farm projects.

As part of this process, we'll be asking you to comment on our proposals for an OFTO Build model. This includes tendering to appoint an OFTO before construction of an offshore transmission system begins.

We'll let you know when the consultation opens and will publish details in the consultations section of our website.

If you are a wind farm developer we are also keen to meet with you, so we can explain more about our proposals and how OFTO Build could work for your future projects. It'll also be an opportunity for you to put your questions to us. If you'd like to arrange a meeting, [email us](#).

23
SEP

Seminar: asset transfer risk management

A seminar to discuss the risks of transferring transmission assets from a developer to an OFTO as part of the tender process. Open to anyone with an interest in asset transfer risk management. Places are limited

Register your interest

30
SEP

Seminar: procurement and construction risk management

A look at the challenges of procuring and constructing transmission systems that connect projects further offshore. Open to anyone with an interest in procurement and construction risk management. Places are limited.

Register your interest

About the Offshore Transmission Regime

With the Department of Energy and Climate Change, we established a regulatory regime for offshore transmission networks. It's designed to connect offshore renewable generation projects to Britain's electricity grid in a competitive and efficient way. This helps to bear down on long-term connection costs and ultimately, the costs passed to consumers. We grant licences to offshore transmission owners and make sure they meet their licence conditions.

[More on the Offshore Transmission Regime](#)

This email (and any attachments) is private and intended solely for the attention of the addressee(s) and may contain confidential information. Its unauthorised use, disclosure, storage or copying is not permitted.

If you have received this message by mistake, please contact the sender and immediately delete the message from your system; you should not copy or use this message or disclose its contents to any other person or organisation.

London

9 Millbank, London, SW1P 3GE
Tel: 020 7901 7000

Scotland

3rd Floor, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA
Tel: 0141 331 2678

Wales

1 Caspian Point, Cardiff Bay, CF10 4DQ
Tel: 029 2044 4042



Making a positive difference
for energy consumers



[Unsubscribe](#) from this email
Change your [preferences](#)