Our date	Our reference	Administrative officer
2014-11-24	AU-MPR RE-00082	Øyvind Bergvoll
Your date	Your reference	

ITPR team
Ofgem
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By e-mail: ITPRMailbox@ofgem.gov.uk

Dear Sirs,

Consultation response - Integrated Transmission Planning and Regulation (ITPR) project: draft conclusions

Statoil has assessed Ofgem's draft conclusions on ITPR and appreciate the opportunity to inform Ofgem's further considerations on this work. We have focused on issues we believe are particularly important to the successful delivery of UK's ambition on offshore wind.

Question 1: *What are your views on our the SO role in system planning, including the specific roles we have proposed the SO would undertake for onshore, offshore and interconnection planning?*

Statoil has previously supported establishing a "Design Authority". The proposed enhancements to the SO role in system planning is thus a welcomed first step in creating an entity with an holistic approach on system planning in GB. We do also strongly believe that without such a holistic approach, an integrated transmission grid supporting offshore wind developments will not emerge. Hence, Statoil supports the proposed enhancements to the SO role in system planning.

Question 4: *What are your views on our proposal that, as part of its enhanced role, the SO should lead gateway assessments for offshore projects that include investment to provide wider network benefit?*

We see merit in the SO taking on such an enhanced role. But we would highlight that undertaking WNBI must be voluntary for a developer. Subject to this Statoil supports the proposal.

Question 8: *What are your views on our proposal to provide regulatory continuity when the purpose of a transmission asset changes?*

Regulatory certainty is vital to investors. Statoil supports regulatory continuity as a principle, and expect that this principle is expanded to also include offshore wind developers and generators. In the case of a Multi Purpose Project (MPP) originating from a wind farm connected via a transmission spur to the onshore transmission grid, significant transmission charging risks may apply to the wind farm. In the report "Charging for Integrated Onshore – Offshore Networks Industry Discussion Report (June 2013)" [1] National Grid and the offshore wind industry showed that a radially connected wind farm may face an increase in the transmission charges of 30% should the wind farm at a later stage be interconnected to another wind farm. The risk of this happening (even if it is small) will be detrimental to the economy of the wind farm and

[1] http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/Transmission-Network-Use-of-System-Charges/Tools-and-Data/

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probably refrain any owners to make necessary investment decisions. To not create further uncertainties we strongly advice Ofgem to ensure that the regulatory continuity principle is extended to also cover the wind farm developer/owner.

We would appreciate the opportunity to discuss these issues further.

Kind regards
Statoil ASA

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