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9<sup>th</sup> June 2015

Dear Mark,

**Energy Networks Association OFTO Forum –  
Response to Ofgem's minded to decision to assign TSO obligations under  
the Capacity Allocation and Congestion Management Regulation (CACM)  
to Offshore Transmission Owners (OFTOs) within GB**

Energy Networks Association (ENA) is the industry body for UK electricity and gas distribution and transmission companies.

This response to the consultation on Ofgem's minded to decision to assign TSO obligations under the Capacity Allocation and Congestion Management Regulation to Offshore Transmission Owners within GB is submitted by ENA and is in addition to and in support of the individual responses of the members of the ENA's OFTO Forum.

We'd like to highlight here our support for the pragmatic approach Ofgem has taken to engaging with the OFTOs (via the ENA OFTO Forum) on the assignation of obligations under CACM. In particular we're pleased Ofgem have recognised and responded to our concerns regarding the assigning of obligations to OFTOs for which they have no 'relevant function'. We hope that as further European Network Codes are incorporated into relevant GB industry codes this pragmatic approach to the role of OFTOs continues.

Ofgem should also be cognisant that any changes to OFTO licences (e.g. for the purposes of implementing obligations under CACM) will trigger a process of review and approval on the part of the OFTO lender(s). This can be a costly, complex and lengthy process and this burden should be borne in mind when considering how best to assign CACM obligations to OFTOs.

Our responses to the individual questions raised in the consultation are attached to this letter as Appendix A and we hope these are of use to you.

If you have any follow up queries please get in touch with Richard Le Gros, Secretary to the OFTO Forum at ENA, on 0207 706 5132 or [richard.legros@energynetworks.org](mailto:richard.legros@energynetworks.org).

Regards,

A handwritten signature in dark ink, appearing to be 'G. Thornton', written in a cursive style.

**Gary Thornton • Chair ENA OFTO Forum**

**Appendix A - ENA OFTO Form response to Ofgem's minded to decision to assign TSO obligations under the Capacity Allocation and Congestion Management Regulation (CACM) to Offshore Transmission Owners (OFTOs) within GB**

**Question 1: Do you we agree that we have correctly identified the Articles of the CACM Regulation which place an obligation on OFTOs?**

Generally we are pleased with the approach Ofgem have taken in identifying the Articles which should place an obligation on OFTOs. We would support Ofgem taking a similar approach when considering any future European Network Codes that incorporated into relevant GB industry codes.

Regarding the specific Articles themselves we refer you to the individual responses that will be made to this consultation by the members of the OFTO Forum (i.e. the OFTO license holders themselves).

**Question 2: Do you agree with Ofgem's application of Article 1(3) in assigning obligations to GB OFTOs?**

As per our response to Question 1 we are happy with the approach Ofgem has taken to assigning CACM obligations to OFTOs.

**Question 3: Do you agree with Ofgem's minded to decision on the assignment of obligations under the CACM Regulation to OFTOs as set out in Annex 1?**

As per our response to Question 1 we refer you to the individual responses that will be made to this consultation by the members of the OFTO Forum.

**Question 4: How do you think Ofgem should assess future changes to the assignment of OFTO obligations under the CACM Regulation?**

As per our response to Question 1 we are happy with the approach Ofgem has taken to assigning CACM obligations to OFTOs and hope that this would continue with any future changes to CACM or introduction of other European Network Codes. The ENA OFTO Forum would be very pleased to host Ofgem at any of our meetings to allow early engagement with the OFTOs themselves on any emerging issues.