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11 May 2015

Dear Sheona

Frontier Power is an independent operator and asset manager of five OFTO assets that were competitively tendered and we are keen to participate in onshore transmission projects as soon as they are brought forward for competitive tendering by Ofgem.

Frontier Power welcomes Ofgem's proposals to implement the conclusions of its Integrated Transmission Planning and Regulation (ITPR) project and supports the intention to improve the transparency and opportunity for identifying new transmission system investments through enhancing the role of the System Operator.

Frontier Power also looks forward to seeing Ofgem's proposals for extending the use of competitive tendering for new, separable and high value onshore assets.

CHAPTER: Two

Question 1: What are your views on our proposed licence changes for system planning?

Response: Frontier Power supports the proposed requirement on the SO to develop and publish the Network Options Assessment (NOA) which should provide better opportunities for the early identification of transmission investment requirements for all TOs and other interested parties.

Question 2: What are your views on our proposed timing of the NOA report from 2016/17 onwards?

Response: No comment

Question 3: What are your views on our proposals for the scope and approvals process for the NOA methodology and the NOA report?

Response: Frontier Power does not have any specific comments at this stage about the timing or scope of the NOA report.

Question 4: Do you think our proposals for provision of information by the SO are appropriate?

Response: Frontier Power supports the proposal for the SO to provide information which will inform and support the needs cases for interconnector and SWW equally to all interested parties.

Question 5: What are your views on the way we propose to formalise the process used to determine efficient connections?

Response: Frontier Power does not have any comments at this stage about the process for determining efficient connections.

Development of options for offshore wider works

There were no specific questions about this part of Chapter Two.

Frontier Power supports the proposals to make the SO responsible for the early development of NDAOWW. The greater certainty which can be delivered for such projects will assist the competitive tender process to achieve an economically efficient result. When proposals are developed for competitive tendering of onshore transmission the extent to which the SO should be responsible for early development, possibly up to the point of route consenting, will be an issue to consider if maximum benefit is to be gained in terms of effective pricing of bids.

Similarly, if the SO-led gateway assessment process for DAOWW leads to inclusion in Ofgem's cost assessment for offshore tenders this will also reduce uncertainty for developers and investors.

CHAPTER: Three

Question 6: What are your views on our proposed licence modifications for conflict mitigation?

Response: Frontier Power waits to see if the enhanced compliance measures proposed will prove adequate to avoid conflicts of interest within National Grid. The more onerous such compliance becomes across National Grid's regulated and competitive activities the more it may be necessary for Ofgem (or National Grid itself) to consider whether alternative organisational arrangements, including full ownership separation between the TO and SO functions, might be more effective and less costly.

Question 7: Do you think there could be any unintended consequences from our proposal to remove special conditions 2D and 2E?

Response: No.



Iain Cameron
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Frontier Power Limited