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Email to: TransmissionCompetition@ofgem.gov.uk

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Criteria for onshore transmission competitive tendering

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy welcomes the opportunity to comment on the proposed criteria for onshore transmission competitive tendering. We broadly agree with what Ofgem has set out in its open letter to establish clear and consistent criteria for the commercial and regulatory framework for onshore competition.

We would welcome further clarification on the tendering process itself. It is important to set the financial threshold high enough to ensure that the benefits of competition outweigh the tender costs themselves which are not immaterial and the cost of increased system interfaces. We are particularly interested how the £100m minimum threshold has been derived. It is likely to be a sensible level but it would be useful to see this in the context of the potential benefits and tender costs.

Furthermore, we believe that it is vital that competition is only chosen for assets where there is sufficient time; competed assets will need additional time to encompass Ofgem's tendering process. Therefore, careful assessment needs to be undertaken as to how this interacts with needs case assessments and consideration should be given to the impact on parties who may be affected by the investment. Use of onshore competition should not introduce risks to timely delivery.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Natasha Ranatunga on 0203 126 2312, or me. I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Cox'.

Mark Cox
Head of Transmission and Trading Arrangements

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