

25th June 2015

Maxine Frerk
Senior Partner – Smarter Grids & Governance
9 Millbank
London
SW1P 3GE

Re: Response to Ofgem consultation – Further review of industry code governance

Dear Maxine Frerk,

Thank you for the opportunity to respond to your consultation. We, Diamond Transmission Corporation (DTC), a wholly owned subsidiary of Mitsubishi Corporation (MC), would like to respond to the captioned consultation based on our experience of investing in and operating power transmission businesses in Great Britain and Europe.

At this moment, we own four offshore transmission assets in the UK (Walney 1, Walney 2, Sheringham Shoal and London Array) via Blue Transmission Investment Limited and similar types of assets in Germany (BorWin 1, BorWin 2, DolWin 2 and HelWin 2). We are seeking further investment opportunities in the power transmission sector (including interconnectors), under the appropriate regulatory framework.

We believe any simplification that enables easier participation with the change process will further enhance the codes and deliver benefits to the wider UK energy market. Our response to this consultation is enclosed in Appendix A.

If you have any follow up queries please do not hesitate to contact me on 07920 546 989 or at martin.brown@diamondtransmissioncorp.com.

Regards,



Martin Brown
Deputy Technical Director – Diamond Transmission Corporation

Appendix A: DTC's response to the consultation on further changes of industry code governance:

Questions for response
<p>Question 1: Do you consider the governance changes introduced under CGR and CGR2 have been effective in improving the code governance arrangements? In particular considering the efficiency and effectiveness of code change, the ability for large scale reform to be implemented, and the accessibility of the arrangements for smaller/newer industry participants and consumer representatives?</p>
<p>Diamond Transmission Corporation (DTC), the 50% owner of Blue Transmission, is represented on the STC panel by our management services provider Frontier Power and therefore Frontier Power will respond accordingly. However, DTC welcomes initiatives that simplify the process and enables a wider consultation to take place.</p>
<p>Question 2: Do you agree that there is a need to consider further reforms to the industry code governance arrangements? If so, what issues do you consider should be addressed, and what possible solutions do you identify?</p>
<p>As stated to Q1 DTC welcomes any further simplification of the processes that enables smaller organisations to participate and remove the barriers to entry. Therefore DTC welcomes initiatives that:</p> <ul style="list-style-type: none"> • Set a defined time plan with associated objectives, although these should be reasonably agreed with the participants, • Produces a forward looking plan that outlines the types of responses (and associated resources) required, • Enable quicker identification of the implication of the changes (e.g. summary documentation), and • For relatively simple changes provide an initial draft for consultation. <p>As regards the use of independent panels or chairs, we can see how this would facilitate a quicker change process but we would have concerns regarding how the independence of the panel or the chair is assured. Therefore, and possibly depending on the type of change, we would typically prefer representatives to vote on the change.</p>
<p>Question 3: In addition to a post implementation review of our CGR reforms and potential changes discussed in this letter, are there any other areas of industry code governance that should be considered in this review?</p>
<p>With a view to ensuring participation, maybe there is an option to initially positively verify with participants their expected level of engagement to avoid late comers providing new information towards the end of the process.</p>