

ORE Catapult
Inovo
121 George St
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Neil Copeland
Ofgem
3rd Floor, 107 West Regent Street
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5th of February 2016

Dear Neil,

Review of NIC Governance Arrangements

We welcome the opportunity to input into Ofgem's review of NIC governance.

The Offshore Renewable Energy (ORE) Catapult is the UK's flagship technology innovation and research centre for offshore wind, wave and tidal energy.

Combining world-class research, development, demonstration and testing facilities with leadership, industrial reach and engineering expertise to accelerate the design, deployment and commercialisation of renewable energy technology innovation.

As a not-for-distributed-profit organisation we seek to collaborate widely to de-risk and commercialise technology solutions and standards that can be embraced by the market

The ORE Catapult is currently working on preparing a submission for the NIC, to consider development of larger transmission cables to support the offshore wind sector, and the Island interconnect projects. It is anticipated that a positive outcome of this proposed project would be the creation of a new large cable testing centre located at our state of the art testing facilities in Blyth.

As we develop our NIC proposal, we have been interfacing with Transmission Organisations, seeking their support to sponsor our NIC application and work in partnership in developing new cables which could drastically reduce the cost of transmissions for offshore wind.

The response from all the Transmission organisations has been positive, with a good understanding of the need and the potential cost benefits both to the sector and ultimately to the UK consumer. Letters of support are offered, however firm commitments to partner in the NIC process, is proving more difficult due in the main to the assumptions that offshore wind transmission is not a priority area for the

onshore transmission licensees and/or other internal applications being prepared for NIC submission.

Whilst we are still optimistic we will find a suitable Transmissions organisation to partner with, we are concerned that potentially positive applications will fall at this hurdle, resulting in a lost opportunity.

As a consequence the ORE Catapult would like to suggest that Ofgem consider widening the scope and/or access to the NIC funding, to allow applications from companies and organisation that are not Transmission organisations or not supported by Transmission organisations.

The ORE Catapult is driving hard to reduce the cost of offshore wind and is acutely aware that as wind farms are deployed further offshore the cost of transmission increases significantly as a percentage of the overall project cost. As such the Catapult are keen to work closely with Ofgem and the Transmission sector, to jointly continue to drive down costs in the sector and to the end consumer

Please feel free to contact us, for further discussions on this or any other matter.

Yours sincerely



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