

Offshore Transmission Owners (OFTOs), preferred bidders and other interested parties

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Date: 29 March 2016

Dear colleague,

The publication of the regulatory instructions and guidance described by Amended Standard Condition E12 – D1 of the offshore transmission licence for licences granted in transitional tender round 3 (TR3)

On 29 January 2016 we invited feedback on our proposed regulatory instructions and guidance (RIGs) for TR3 projects. The letter set out the proposed RIGs, the reasons for publishing the RIGs, specified to which licensees these RIGs will be applicable to and requested for feedback to be received by 26 February 2016. This letter contains the decision following that communication.

We did not receive any responses to our letters inviting feedback to the proposed RIGs and will be published as proposed.

These RIGs apply to the licensee of a licence granted in TR3. The existing RIGs published on 28 March 2014 and updated today, in parallel, continue to apply to licensees in respect of licences granted under transitional tender rounds 1 & 2 (TR1 & TR2). The reason for having separate RIGs applying to licences for different tender round projects is that the licence revenue formulae differ. Each offshore transmission owner (OFTO) for TR3 projects will be obliged to report as required by the new RIGs from the date of licence grant. These RIGs for TR3 are published alongside this letter.

For more information regarding this letter or the Direction, please contact in the first instance Ilona Groenewald, Senior Manager, Financial Analysis, by email on <a href="mailto:Ilona.Groenewald@ofgem.gov.uk">Ilona.Groenewald@ofgem.gov.uk</a>.

Yours faithfully

Stephen Beel

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For and on behalf of the Authority