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Joe Baddeley
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Ofgem
9 Millbank
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Our Ref: EN01-005398

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Dear Joe,

Re: Extending competition in electricity transmission: criteria, pre-tender and conflict mitigation arrangements

RES is one of the world's leading independent renewable energy companies working across the globe to develop, construct and operate projects that contribute to our goal of a secure, low carbon and affordable energy future. RES has been an established presence at the forefront of the renewable energy industry for over three decades. Our core activities are the development, design, construction, financing and operation of wind and solar PV projects and we are also active in electricity storage, DSM and transmission. Globally, we have built approximately 10GW of renewable energy generation, including almost 10% of the UK's current wind energy capacity and over 1,600 km transmission lines.

We welcome the opportunity to respond to your latest consultation "Extending competition in electricity transmission: criteria, pre-tender and conflict mitigation arrangements" from 27 May 2016. We consider ourselves well-placed, therefore, to comment on the important issues addressed in this consultation and are grateful for the opportunity to respond. We hope you find our comments below of interest and we will be more than happy to assist with any further information as required. The key points we would like to make are:

- RES continues to strongly support the implementation of competition on transmission networks in all its forms
- RES recognises the considerable progress that has already been made in developing the regime and is broadly in agreement with the proposals
- We believe there is a real imperative to implement the proposed arrangements in a timely fashion such that consumers can begin to reap the benefit of competition in transmission
- Our view is that the lack of clarity surrounding candidate projects is a potential barrier to new entrants and innovation. We consider that the initial criteria of Strategic Wider Works (SWW) projects only is a constraint, as this introduces an additional level of uncertainty. We would welcome any clarity you can bring to the project pipeline

- We believe that Ofgem should create a large and continuous project portfolio offering a range of projects varying in size, complexity and technology. If this requires bundling, splitting or re-packaging to create an optimised portfolio then it would make sense to do so
- As we further consider the processes and procedures required to implement the tender and the competitive regime, we conclude that this is greatly facilitated by an independent System Operator (SO) or “deep” SO, that has a form of independent oversight over the transmission networks
- RES considers that consenting and associated land rights are the biggest risks to robust bids and to the tender process. We also believe that it is unlikely that it will be either economic or efficient for bidders to bear these risks
- We believe that in order to unlock innovation in the late CATO model we strongly recommend keeping the given technical standards to a minimum but reliable level (i.e. IEC) to ensure grid security
- RES strongly agrees with Ofgem’s proposed requirements for incumbent TOs to mitigate potential conflict of interests

Our detailed responses to the questions posed in the consultation are outlined below:

CHAPTER 3: CRITERIA FOR COMPETITION

1. *What are your views on our proposed arrangements for asset ownership and responsibilities? In particular can you provide examples of specific scenarios where it may be necessary for ownership transfer of existing physical assets to occur between network operators?*

RES considers that the transfer of non-physical assets is the clearest area and it is sensible that these are transferred to the CATO. During the Invitation To Tender (ITT) stage, we believe that it should be clear what assets are proposed to be transferred. The bidder should also indicate what, if any, additional assets it would want to be transferred to deliver the project successfully. The final decision should be made in discussion between Ofgem, incumbent Transmission Owner (TO), SO and the preferred bidder.

We believe that land rights particularly need careful consideration, such that any arrangements made by the TO or SO transfer seamlessly and with the same rights / obligations to the CATO. It will need to be clear to the CATO that it has the right to construct and operate its network unhindered. The process of transferring these rights to the CATO will also need to be clear at the outset of the tender process.

We don’t believe there should be any issues with operational aspects, boundaries and interfaces as these all exist today. The CUSC principle of ownership could easily be applied to a CATO, although some modification may be required for new boundary types. For example an ownership boundary occurs at a set of sealing ends. This has also been our experience of transmission interfaces/boundaries in the United States transmission market. We can imagine situations in which a physical asset transfer is the most cost-efficient solution. We feel it may be pragmatic to work up the example of a CATO circuit landing in an incumbent TO substation and overtly establish access arrangements, operational interfaces and ownership boundaries as a guide to help the process develop.

We also consider that a credible example of a transfer of existing physical assets is the use of an existing spare or newly installed bay within a substation that is used to connect a CATO circuit.

2. Do you agree with our proposed principles for packaging projects?

RES supports Ofgem's view that in order to maximise consumer value and create an attractive investment portfolio for bidders, projects should be bundled, split or re-packaged as stated in the consultation document.

Bundling

RES would welcome the idea to bundle projects even if one project does not meet the *high-value criterion*. Particularly, but not limited to RIIO-T2 projects where the link to SWW is no longer in force, we think there is significant potential in bundling projects which together exceed the *high-value criterion*. We can also imagine a situation in which it makes economic and technical sense to bundle two projects each of which belong to different incumbent TOs. Both projects bundled would result in a cross-TO asset exceeding the *high-value criterion* and offering an attractive investment for bidders.

RES agrees with Ofgem that it must make technical or commercial sense to bundle projects. However, we think that a common need/driver for the projects must not exist to be eligible to be tendered.

We would also propose to give bidders the opportunity to bundle projects during the ITT stage if it can be demonstrated that the bidder's solution adds additional value through a combined revenue stream (assuming multiple projects are subject to tender at the same time).

Splitting

Particularly in the first tender round(s) we think that splitting very high-value projects into smaller sized projects brings advantages to attract more market entrants. We think that optimising the project portfolio in a way that it offers projects to a variety of bidders creates the most value.

However, we can also imagine that splitting may have a side effect creating toxic projects that are more difficult to deliver and inherently carry more risk which could deter investors and developers.

We think that Ofgem's approach to evaluate the value of splitting on a case-by-case basis is a sensible approach and we would welcome the opportunity to engage in the evaluation process together with other stakeholders.

Re-packaging

This approach also introduces a degree of flexibility that allows more and better projects to come to market. Whilst the level of flexibility is welcome, a degree of process transparency is also required such that the market can observe and potentially influence the re-packaging options attracting more bidders.

In general, we believe that Ofgem should create a large and continuous project portfolio offering a range of projects varying in size, complexity and technology. In an ideal world, several tenders are run (nearly) simultaneously allowing for the possibility of multiple awards. If this requires bundling, splitting or re-packaging to create an optimised portfolio then it would make sense to do so. There is a potential to discourage investors with lengthy, drawn-out processes and lack of awards if only one project at a time is put forward to tender.

3. Do you consider the processes we have set out for determining which projects to tender are appropriate?

We believe that the first tender round(s) are naturally constrained by the link to SWW projects, however the proposals themselves present mechanisms that cover both tender models and we believe these are

appropriate. RES remains concerned that with the link to the SWW process together with the timing of projects in the NOA that are potential SWW, that sufficient projects will come forward that will establish a marketplace. Our observation of the United States transmission market suggests that competitive processes with multiple projects generate an active market with opportunities for all; by comparison single project processes with drawn out timescales can easily deter new entrants. Beyond RIIO-T1 the proposal to identify eligible projects is simpler and should produce a healthy pipeline of candidate projects, because there is no link to SWW which limits the eligible projects.

In the United States transmission market we see a market where independent planning organisations (e.g. independent SO) plan the system (with input from all TOs). Eligible projects go then out to bid and non-eligible projects remain in the jurisdiction of the incumbent TO. A similar process in Great Britain would also be beneficial to the process.

Finally, we would like to have more insight into Ofgem's current thinking of the selection of early or late tender build models for RIIO-T2 projects and beyond. We remain supportive of the early CATO model as it is the most likely model to generate innovation and true value for consumers. As such we are keen to understand how this would be championed as an option for RIIO-T2 projects.

4. *Beyond the NOA and the connections process what other routes should we be using to identify suitable projects for competition, e.g. for non-load related projects?*

The incumbent TOs have asset management regimes and systems that ultimately produce recommendations for condition based replacements, which in turn feed into business planning processes and finally agreed regulatory settlements. We believe that this is a source to identify non-load related projects as by nature some of these are long lead time, large and high value.

We also believe that transmission planning is an integrated, coordinated process that pulls together all strands of possible works and delivers the most economic and efficient output for the networks and consumers. We would like to see a single document, similar to, or integrated in the Network Options Assessment (NOA). It should be updated in the same timeframes and pulls together all transmission needs, regardless of the driver, that can help ensure the coordinated development of the transmission networks. We would also recommend that this is a role for an independent SO or at the very least a 'deep' SO.

5. *What do you consider should constitute 'early development works' for options ahead of their assessment in the NOA process, i.e. what works should be undertaken in order to ensure that the most appropriate tendered options are developed for submission at the initial tender checkpoint?*

In the broadest sense RES considers early development works to be a predominantly desktop exercise that includes:

- Needs/requirements definition
- Optioneering of solutions for electrical options
- Technology types
- Possible routes
- Gathering of survey information and
- risk assessment.

We recognise this as the natural evolution of a project. We believe at this stage all options remain open - tender (early or late model) or incumbent TO delivery. In an ideal world, early development works serve as guidance, but the actual transmission solution will be developed by the bidders unlocking maximal potential of innovation.

As above, we see this is as most effectively done by a 'deep SO' or independent SO, taking a holistic view of system needs but also being aware of likely replacement programmes. For RIIO-T1 it has to be acknowledged that the SO is not currently able to deliver this service. The incumbent TO will carry out these activities, but given that the first projects will use the late CATO model and are already significantly more progressed we do not perceive this is an issue.

CHAPTER 3: PRE-TENDER ARRANGEMENTS?

6. *What are your views on the suggested process for carrying out the pre-tender roles?*

RES broadly agrees with the proposal. For RIIO-T1 clearly this is a TO led process, but we see this as a transitional stage and would expect RIIO-T2 and beyond projects to be predominantly SO led with some TO support. We would like to see Ofgem's "minded to" or initial tender checkpoint decision included in the NOA or similar documents going forward

We expect a lot of "lessons learned" will be identified during the first tender round; we would hope the roles would remain flexible and be adjusted if appropriate feedback is given resulting from the outcomes of the first tender rounds.

As preliminary works and the ITT stage may overlap the *TO preliminary works team* should ensure that any information and results of the preliminary works are communicated immediately via the data room with appropriate notification to bidders. We would also recommend that TOs prioritise preliminary works and the publication of associated information where there is significant impact on the bid process or volume of bidder requests.

7. *Regarding preliminary works and the tender specification:*

- a. *What are your views on the scope of the baseline tender specification?*
- b. *How likely is it that additional preliminary works will be required, and if so, what types of works are likely to be required?*
- c. *What are your views on:*
 - i. *The role of bidders in identifying the need for further information / additional preliminary works (e.g. additional independent surveys) to inform robust bid assumptions?*
 - ii. *The most efficient process for enabling this?*

a. **What are your views on the scope of the baseline tender specification?**

RES believes the proposed baseline tender specification provides a comprehensive coverage of the generic areas that would need to be covered for a typical transmission project. The level and detail of the available data would vary based on the scope and complexity of the project. For example, projects requiring specific technology types (e.g. HVDC) or specific construction techniques (e.g. cable tunnels, subsea cables) should have sufficient information that does not require bidders to undertake further investigations into these aspects. We believe this would be akin to the level of detail that would be used in a traditional procurement exercise.

We note that there is no section of the proposed specification for land rights. We cover the risk associated with land rights in question 10, but we recommend that a section about land rights is included that covers:

- Detailed approach to procuring land rights
- Details of the legal documents being used
- Proposals of how land rights will be transferred to the CATO
- Parties carrying out land acquisition activities
- Land owner details, title details, title anomalies
- Unregistered land
- Progress tracker
- Voluntary and involuntary split

We believe it is worth re-iterating that a late CATO process will have developed a project that has completed its Environmental Impact Assessment and has a design sufficient to achieve consent (the point of the Development Consent Order (DCO) process being that all the work is front loaded and there is negligible scope for change following submission). This in turn means that substation areas will have been allocated, layout proposed, tower heights and positions predominantly confirmed and all still based on incumbent TO standards. This then provides the backbone of the data that is available to the bidders. We believe it would be preferable that this data is in the maximum level of detail possible, such that it is clear what a deliverable technically acceptable solution looks like. Bidders would then have the opportunity to use this as their primary base design to modify through further innovation in specification, construction, technology and use opportunities available within the boundaries of the consenting decision. This would also allow easier comparison of bids as they will be able to be referenced back to a robust base design whilst unlocking potential for innovation at the same time.

Based on our view about the DCO above and the potential overlap between the DCO process and the tender, we would expect that a live “tracker” of the DCO/preliminary works process forms part of the data room. Where preliminary works are still ongoing to support the application it shall also be evident in the data room together with expected completion dates for the proposed preliminary works. As part of the DCO data, we would also want to see mitigation plans and copies of any schemes or plans that the *TO preliminary works team* is proposing be implemented.

We would also expect that the DCO and therefore the tender is explicit about the scope for variation and the limits of deviation that may apply.

Technical Standards

Specifically with regards to the point of technical standards, in order to unlock more innovation we strongly recommend keeping the technical standards to a minimum but reliable level (IEC) to ensure grid security. We believe that this is an opportunity for more innovative solutions being achieved in the late CATO model. Furthermore, we also suggest it opens up the market for more suppliers resulting in a cost-efficient project delivery, which is in the best interest of consumers.

Offshore

In terms of projects with offshore elements we consider that engineering/environmental appraisal of the landfalls would be essential incl. greater understanding of the seabed, e.g. to understand sediment movement and seabed habitat types. We would prefer to see the inclusion of geotechnical boreholes. In general we believe it would be beneficial to expand and refine the term geotechnical survey in relation to offshore, such that it is clear what is being proposed.

Other

We would expect to see any specific commitments regarding local employment very clearly defined and communicated early in the tender process.

Finally we note that special crossings (rivers, motorways, rail, high pressure pipes etc.) are not specifically mentioned; we would expect there to be outline proposals, preliminary designs, site investigations and initial contacts with the relevant owner for these.

b. How likely is it that additional preliminary works will be required, and if so, what types of works are likely to be required?

RES believes it is likely that bidders will require additional preliminary works in the form of additional survey works, although we do expect the *TO preliminary works team* to carry out all preliminary works, they would need to manage the project and achieve the DCO themselves. Depending on the appetite for risk and their bid proposal bidders will ask for additional information, we consider that this is most likely to cover ground investigations (GI), but could touch on any aspect where the bidder feels their bid is particularly reliant on a given factor.

Specifically with respect to GI, it is our view that poor data will result in the inclusion of additional contingencies; notwithstanding the prevailing competitive downward pressure. This would still affect pricing overall. If additional GI surveys are to be sought, an efficient solution may be to gain consensus amongst the bidders at an early stage on the location and type of additional surveys required.

We also consider that whilst the DCO process has not completed bidders are likely to request additional preliminary works as they attempt to understand and mitigate the associated risk.

c. What are your views on:

i. The role of bidders in identifying the need for further information / additional preliminary works (e.g. additional independent surveys) to inform robust bid assumptions?

RES expects that bidders will carry out a due diligence exercise on the data available in the data room and potentially identify gaps in what they consider adequate information for a robust bid. As they begin to work through Front End Engineering Design and procurement processes further gaps in data may be identified. To some extent these gaps are only relevant to the bidder concerned, as they may relate directly to its proposal and appetite for risk. It also follows that the required data may be a competitive advantage to the bidder concerned and as such the bidder may not want the information shared. We therefore believe that bidders have the role of identifying gaps in preliminary works, deciding on its commercial sensitivity and seeking the completion of the required preliminary works either by the *TO preliminary works team* (if consensus) or directly (if possible).

RES has a very clear view that where any additional works relates to safety issues then this must be shared with all bidders. We would encourage that this forms part of the tender rules.

We consider that there is potential risk that both bidder and the *TO preliminary works team* work simultaneously on the same preliminary work (e.g. study). We believe to mitigate this and avoid duplication the *TO preliminary works team* should maintain an updated log of open preliminary works they intend to carry out, throughout the tender stage (e.g. in combination with the “tracker” as mentioned in question 7a).

ii. The most efficient process for enabling this?

From the above we suggest that there are two possible scenarios for obtaining further data (studies and surveys).

1. First, new data that will be shared amongst all bidders via the data room
 - a. A process could be established to verify the need for data and request the *TO preliminary works team* (or SO) obtains the relevant data and publishes it in the data room. In one respect, this would be the most efficient mechanism for delivery of additional preliminary works. However, we can also imagine scenarios where frivolous requests for additional preliminary works are made. Funding for the work would be the same source as the remainder of the preliminary works (note subsequent comments about funding).
2. Second, data that is commercially sensitive and relevant to one bid only.
 - a. Where the new data is commercially sensitive and unique to a bidder, then a process needs to be in place for the bidder to progress this, either via the *TO preliminary works team* (or SO) or through its own route, if this is possible. In this scenario the bidder concerned would fund the new study via its own internal bid costs and keep the data exclusive. We consider this could also be efficient as it could result in lower bid costs, *lower project costs from the TO preliminary works team* and overall best value to consumers. We think it is highly likely that there will be scenarios where only the *TO preliminary works team* has the necessary rights to carry out the surveys required.

Overall we suggest that Ofgem includes an appropriate level of detail in the tender rules that facilitates the above processes.

8. What are your views on the proposed arrangements for the data room and bidder clarifications?

Data room

We agree with the proposed arrangements for the data room. It is a sensible approach and tried and tested by the OFTO regime. RES would like to emphasise the need for a logical structure within the data room and the need for an agreed way to raise and deal with questions. We think that questions to overarching issues (e.g. related to the tender itself) should be universally published for all to see. However, as stated in question 7c ii, if a bidder asks sensible questions (e.g. related to a potential innovative solution) the answers should not be shared across all bidders. This would disadvantage the bidder by having its competitive advantage exposed. We also believe that Ofgem's role may not be limited to a supervising function only, but be able to respond to overarching issues if addressed directly and monitor the tender process as a whole. We also propose to use separate data rooms for multiple projects/tenders.

On a more specific matter, we think that it is important to efficiently process the data. The data should have a standardised format (e.g. AGS format) in line with industry norm. Bidder should not spend any time on compiling data before they can work with it.

Bidder clarifications

We agree with the proposed arrangement for the bidder clarifications. RES understands that questions vary in terms of complexity and nature. On the one hand, it is foreseeable that complex questions require more time to answer properly. On the other hand, complex questions may also affect the tender revenue stream calculation. To minimise this risk, answers should be given by the *TO preliminary works team* as soon as possible. We propose that if a question is clearly stated as important or critical, the *TO preliminary works*

team shall immediately communicate a deadline as to when an appropriate response will be provided. This creates certainty for the bidder and helps to optimise the project management.

9. What are your views on our proposals regarding the funding of preliminary works and tender support activities in RIIO-T1?

RES believes that the most cost-efficient and least administrative method is a purely regulatory approach to this. All costs occurred by the *TO preliminary works team* during the project development phase as well as additional tender support activity costs, tender specification costs or costs associated with additional preliminary works can be categorised as project costs. Project costs can be subject to scrutiny and prudence and if approved by Ofgem be able to be recovered by the incumbent TO via the existing regulatory regime. If a portion(s) of the project costs are determined to be excessive or not incurred prudently, the incumbent TO is not allowed to recover the unapproved portion of its costs. This will incentivise the *TO preliminary works team's* performance, minimise Ofgem's additional administrative work (and external audits) and provides certainty for the bidders as they do not have to factor in indicative costs into their tender revenue stream.

10. Do you have any initial views on risk allocation across the preliminary works party and the CATO?

As set out in the consultation document, the *TO preliminary work team* is expected to produce high quality and timely preliminary works and tender support. RES thinks that the biggest risks from a bidder point of view are associated with the quality and timely aspect of the preliminary works. As we previously noted there is an overlap between the ITT stage and ongoing preliminary works carried out by the *TO preliminary works team* at the same time. Results of the preliminary works will affect the bidding process (e.g. tender revenue stream calculation). Our view is that the biggest risk to bidders is:

Consenting and associated land rights acquisition

Bidders will be unable to accept the risk of failures, delays or significant changes arising from the consenting process. The current proposal sees the consenting process conclude during the ITT stage. This would leave the bidder facing only the residual risk associated with obtaining outstanding land rights (e.g. a requirement that land access may be limited to certain hours per day). It will also be important that the land rights and agreements are negotiated in such a way that the successful CATO receives the same benefit as the *TO preliminary works team* with no additional restrictions or links back to it. The situation regarding transfer of land rights in Scotland will need to be clarified. It would also be unacceptable to the bidder to accommodate significant changes in scope due to variations in the needs case.

In general, RES thinks that the *TO preliminary works team* should communicate all significant requirements or potential requirements to the bidder as early as possible. Risk identification and understanding is an important part of the due diligence process. It is important that the underlying data that has underpinned surveys and specialist reports is available to the bidder. This becomes even more important, if the *TO preliminary works team* does not have experience with regards to the technology chosen or complexity of the project. We think that in reasonable cases some form of re-opener should be considered as an appropriate way to submit a cost-efficient bid which is in the consumers' best interest.

We look forward to the summer consultation on tender models and market offering to discuss the details on risk allocation.

CHAPTER 4: MITIGATION CONFLICTS OF INTEREST

11. *Do you agree with our proposed requirements for incumbent TOs to mitigate potential conflicts of interest, where they are both bidding for and developing a project in RIIO-T1?*

We agree with Ofgem's identified potential issues for projects where an incumbent TO is developing the preliminary works and bidding on the project as set out in the consultation document. The proposed measures obligations to conduct, business separation and scrutiny are reasonable and robust.

Obligations to conduct

RES believes that obligations are the first step towards a level playing field. The obligations should be clearly, concise and applicable. Both the *TO preliminary works team* and the *TO bidding party* should sign a confidentiality agreement and any employees from the *TO preliminary works team* should not be able to work for the *TO bidding party* between the time of first project announcement and preferred bidder stage (e.g. via job rotation or secondments). We propose that the consequences of a breach of the obligations are clearly defined.

Business separation measures

The proposed business separation measures have been established and operated successfully in earlier vertical integrated energy companies. IT systems, access to information and location restrictions are the most critical aspects of this. It is particularly important that the *TO bidding party* demonstrates separate systems during the EPQ stage that do not allow full access to *TO preliminary works team* data. We strongly believe that a fully separated business is the most efficient conflict of interest mitigation and also helps the *TO bidding party* to focus purely on its transmission development activities. Based on our US experience we believe that an 'Independent System Operator' approach should be the long-term objective in order to generate a level playing field and maximise consumer value.

There is potential conflict of interest between the *TO bidding party* and *other relevant constituents of the TO* with regards to employees and technical support. Although Ofgem's proposal speaks about clear rules that there should be no transfers of employees from the *TO preliminary works team* to the *TO bidding party*, there is potential for the *TO preliminary works team* to transfer employees to *other relevant constituents of the TO* who then support the *TO bidding party*. We believe there is a potential conflict arising from technical support or knowledge which has been developed in *other relevant constituents of the TO* and can be offered to the *TO bidding party*. Those services are funded by the consumer and any technical support, knowledge or service should either be restricted or charged to the *TO bidding party*.

We believe that the minimum requirements as set out in the consultation document are reasonable. RES particularly supports the proposal to require separate physical locations (or restricted access locations), restricted access to IT systems, separate financial costings (incl. inter-company charging) and restricted employee movements. Any noncompliance should be treated seriously.

RES would welcome the opportunity to engage in a consultation to discuss the proposed measures in greater detail.

12. Is internal scrutiny of the arrangements the TO has in place to mitigate conflicts of interest sufficient, or would there be significant additional value in having an independent party scrutinise and audit the TO's arrangements?

From our point of view, internal scrutiny (e.g. in the form of a compliance officer) has been the industry norm and is a reasonable and effective measure. We believe that this role could be placed into the SO in the short term, providing an objective view and at the same time establishing the SO as a clear independent entity. We propose that the internal scrutiny entity should have access to both businesses, IT systems and be able to act independently (e.g. no reporting to either *TO preliminary works team* or *TO bidding party*). In general, we welcome Ofgem's proposal on internal scrutiny and agree with all measures set out in the consultation document.

We do not see significant additional value in external scrutiny, but could imagine a hybrid-model, especially for the first tender round(s) where new processes need to be established. In such a hybrid-model, internal scrutiny could be enhanced by external scrutiny performed or strictly overseen by Ofgem. For instance, standards of conduct or reporting requirements could be established by the external scrutiny entity for the TO parties. Such a model may result in higher costs compared to a solely internal scrutiny approach. However, the sooner TO parties establish new processes and structures the more costs can be saved in the long-term.

13. Do you agree with our proposal to manage conflicts for other bidders?

We agree with Ofgem's proposals to sign a confidentiality agreement and a conflict of interest declaration at the EPQ stage. Those agreements are 'best practise' in competitive processes and common approach in the industry. In reasonable cases we believe Ofgem may ask the bidder to unveil details about its bidding structure and entities involved.

Once again, we thank Ofgem for giving us the opportunity to provide our opinion on the CATO regime. We would like to re-iterate our support for the timely implementation of the CATO regime and look forward to the next steps in the process, particularly insight into the candidate project pipeline. We are also happy to clarify any of the points raised in our response to your consultation.

Yours sincerely,



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