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Dear James

**Re: Extending competition in electricity transmission: arrangements to introduce onshore tenders**

Thank you for the opportunity to respond to this consultation. Please note that this response is on behalf of the E.ON group, including its Uniper subsidiary.

As an existing transmission network user and developer of energy projects we welcome the introduction of competition for the delivery of onshore transmission infrastructure, as it aims to reduce the overall cost of the onshore transmission network and potentially provides more scope for innovation. Notwithstanding the challenges of designing and consenting transmission infrastructure, the increased number of participants in this industry could speed up the network construction in the whole country and the timely asset delivery incentives should encourage the projects to complete on time.

We would like to express our views on the interaction between those investments subject to a tender and those that would not be contingent upon the outcome of a tender and the implications this may have for energy project connection dates.

We are concerned that the running of a tender process needs to be accommodated, optimised and where possible run in parallel with developing large transmission investment projects. If not managed well, there is the potential for this to cause major disruption to the networks which rely on the tendered asset to achieve full functionality and those parties who are seeking to connect at the end. Generation projects are planned a number of years ahead.

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During this planning process the generators will take into account future major network construction and design their project plans accordingly. Any extended uncertainty brought about by a poorly-managed process is likely to cause financial loss to other parties who rely on the tendered assets to deliver or supply energy. It is therefore incumbent on Ofgem to closely monitor the process to minimise any delay and reduce uncertainty for investors in energy projects dependent on tendered onshore transmission investments.

Chapter: Three

**Q4: Do you have any views on our proposal to prioritise late CATO build? Do you have any views on specific circumstances where early CATO build might lead to better outcomes than late CATO build?**

We consider late CATO build to be more preferable than early CATO build at the beginning of the new regime. With late CATO build the SO will produce the initial solution design and obtain consents. The tender process could be up to five years shorter than the early CATO build, substantially reducing the uncertainty around the project feasibility. In the meantime, prospective users could approach the SO for the high level design information to help with their project plans. In addition, with the SO responsible for the design of the whole country's transmission network, better consistency and efficiency is expected. It will be important to ensure that CATO's are required to deliver assets to a standard that is currently provided by existing onshore Transmission Owners.

We are not aware of any reasons why early CATO build might be better than late CATO build except for those explained in the consultation paper.

We hope that you find our response of help and would be happy to discuss these topics with you further.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Lin Gao', written over a white background.

Lin Gao  
Regulatory Analyst