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Dear James

Orkney Transmission Project: Consultation on Final Needs Case and Delivery Model

Omexom is the VINCI Energies brand dedicated to providing full engineering, procurement and construction services to electricity utility companies, and to solar and on-shore wind farm developers.

VINCI Energies is part of VINCI SA, a global organisation with extensive experience in financing, building, owning and operating major infrastructure assets in the UK and internationally.

We are very keen to participate in transmission projects that qualify for inclusion within the Special Purpose Vehicle (SPV) delivery model for Strategic Wider Works (SWW) that are subject to a Needs Case assessment during RIIO-T1, as proposed by Ofgem in its Integrated Transmission Planning and Regulation (ITPR) and Extending Competition in Transmission Projects (ECIT) policy development.

It is encouraging to see that Ofgem is developing policy proactively within the constraints of a complex legislative environment to secure additional benefit and savings for the consumer.

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In contributing to the Orkney transmission project consultation, we respond to both minded-to positions that have been set out by Ofgem:

1/ The assessment of the Final Needs Case for the Orkney transmission project.

We agree with the minded-to position reached by Ofgem which is to approve conditionally the Final Needs Case for Orkney transmission project.

On balance, we broadly concur with the views of SHE-T in it's submission regarding the future of generation on Orkney.

2/ The assessment of potential delivery models for the Orkney transmission project.

We understand the minded-to position reached by Ofgem which is to approve the application of the Competition Proxy delivery model which Ofgem believes will deliver best value for the consumer, should the conditions for approval of the Needs Case be satisfied.

However, we consider it imperative that if the delivery dates on Orkney were indeed to change, Ofgem should use the SPV model if it is probable that there is then no risk of delay to project delivery.

If implemented efficiently, we firmly believe the SPV model will deliver greater benefits for consumers over CATO, CPM and SWW RIIO delivery arrangements. It is noted however, that within the SPV model, any successful alignment structure should give suitable incentive to the TO, to ensure timely project delivery by the SPV.

Omexom looks forward to participating in the first SPV competitive tender process.

We are eager to engage should Ofgem wish to discuss or seek clarification on any of the points raised in the comments above.

Yours sincerely

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