



**Sir Robert  
McALPINE**

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James Norman  
Ofgem (New Transmission Investment)  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Our Ref: EN01-005487

24 February 2017

Dear James,

**Re: North West Coast Connections – Consultation on the project’s Initial Needs Case and suitability for tendering**

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. RES is the sister company to Sir Robert McAlpine, one of the UK’s leading building and civil engineering companies, with a distinguished heritage stretching back over 147 years. Sir Robert McAlpine has extensive experience in delivering high quality schemes through the Private Finance Initiative (PFI), Public Private Partnership (PPP) Building Schools for the Future (BSF) or Design, Build, Finance and Operate (DBFO) procurement routes.

We welcome the opportunity to respond to your latest consultation “North West Coast Connections – Consultation on the project’s Initial Needs Case and suitability for tendering” published on 14 December 2016. Together, RES and Sir Robert McAlpine consider that we are well-placed to comment on the important issues addressed in this consultation. The key points we would like to make are:

- We are pleased to see the first projects coming forward as potential CATOs and would urge that every opportunity is taken to progress the new competitive regime.
- The project meets the criteria for competitive tendering, both as a whole and also in various packaging scenarios.
- We are concerned at the possibility that this first opportunity may be limited to the south element of the North West Coast Connections project. The development of a healthy competitive market depends on an attractive project pipeline. The example of the OFTO regime provides strong supporting evidence of this, with 15 transmission licences granted since the beginning of the regime in 2009 with a capital value in excess of £2.5 billion.
- Clearly there is still significant uncertainty associated with the North West Coast Connections project and we would hope that the opportunities to utilise competitive processes are not ruled

out whilst this uncertainty remains. By doing so, Ofgem would help to ensure delivery of best value to consumers, which would be achieved through competing as much of the project as possible.

Our detailed response to your questions, marked confidential, is in the attached Appendix.

We would like to re-iterate our full support for the timely implementation of the CATO regime and look forward to the next steps in the process and the evolution of a competitive onshore transmission market in Great Britain. We are also happy to clarify any of the points raised in our response to your consultation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Deacon', with a long horizontal flourish extending to the right.

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