

Ofgem

20th December 2018

To whom it may concern

Consultation on Ofgem Forward Work Programme 2019-21

As part of the Transmission Capital Partners consortium, Transmission Investment manages one of the largest offshore electricity transmission portfolios in terms of the capacity of offshore wind connected. Our managed portfolio of Offshore Transmission Owner (OFTO) assets includes the connections to the Robin Rigg, Gunfleet Sands, Barrow, Ormonde, Lincs, Westermost Rough and Dudgeon offshore wind farms - a portfolio of approximately 1.5GW (£1.1bn in capital employed).

Transmission Investment also remains a strong advocate of introducing competition into the delivery of onshore transmission and we continue to support the development of the required arrangements *inter alia* through industry groups, responding to consultations such as these and, when called upon, providing evidence to parliament.

Transmission Investment is leading, in partnership with the French national grid company RTE, the development of a proposed 1400MW HVDC interconnector between France and Britain via Alderney ("the FAB interconnector project"). This project was granted cap & floor regulatory treatment in 2015 and whilst it continues to experience Brexit related delays, it will commence construction as soon as the regulatory process allows.

As such we are very supportive of the work that Ofgem has done to date and is planning to carry out in 2019-21 to introduce competition into monopoly areas.

1. Offshore transmission Owners (OFTOs)

We continue to support the OFTO regime which is delivering significant value for consumers through the generator-build mode. We would like to be able to demonstrate an OFTO-build model but understand that in the short-term at least, this is dependent on a generator opting for this approach.

2. Competition in onshore electricity transmission

We continue to support Ofgem's efforts to introduce competition into the delivery of onshore electricity transmission. We note though there has not yet been a project identified as suitable for the SPV model and the legislation for the CATO model is still pending. We would like to see greater ambition from Ofgem in this area over the 2019-21 period than simply "*explore and develop ways of bringing competition to*

onshore networks" (p18): by 2021 it should have been possible for the first SPV model tender to have been run.

3. *Interconnectors*

You will be aware that Brexit has resulted in regulatory delays to some interconnector projects and we note the significant efforts that Ofgem has taken to mitigate these delays. We would expect over the time period covered by this work plan that the uncertainty causing these delays should have reduced to the extent that these projects would be able to proceed. However, we expect that progress may also require flexibility in approach to the regulatory arrangements that apply to these projects and we would welcome Ofgem's continuing openness to considering flexibility where it is in the overall interests of consumers that projects should proceed.

If you would like to discuss any of the comments above please feel free to contact me.

Yours sincerely



Chris Veal
Managing Director