

Kabir Ali
STC Committee Secretary
Regulatory Frameworks
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA

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Dear Kabir

STC Proposed Amendment CA042 – Offshore Transmission System Compliance and Testing

Transmission Capital Partners, a consortium led by Transmission Capital Limited, has been appointed preferred bidder on four of the projects in the first transitional offshore transmission tender round and we expect to be granted our first Transmission Licence within the next few weeks. We have recently become OFTO members of the STC Committee.

Thank you for the opportunity to comment on CA042, whilst we do have detailed comments on the proposed amendment (which we detail below), we have more fundamental concerns at the way the way amendment proposal CA042 has been handled by the Committee. The Committee meeting on the 25th January 2011 was the first opportunity that the Offshore Transmission Owner (OFTO) representatives have had to discuss the CA042 proposals with NGET, who we understand are the originators. CA042 is an amendment which is only applicable to OFTOs; it has no impact on any onshore TO. It does not therefore appear appropriate that such an amendment should progress through the committee, evaluation and consultation stages with only the countenance of the onshore TO representatives, when there has been no OFTO representation.

Whilst we recognise that there has been some delay in establishing OFTO representation on the Committee, the appropriate action should have been to delay the proposals for a few months, to allow the proper debate to take place. We believe this would have had no material impact on the overall objectives of the proposed amendment. At this point, we believe the most appropriate course of action would be to conclude that further OFTO involvement is needed, and to start the process again.

More specifically we provide the following comments:

- a) The proposals appear to simply assume a continuation of the current Grid Code compliance testing regime applicable to offshore generators and to re-badge this as STC section K compliance testing, therefore treating the OFTO exactly the same as a generator.
- b) We believe the current drafting around STC Section D, Part One, Clause 2.26; which details the compliance of offshore transmission system with the technical parameters defined in Grid Code (CC.6.1, CC.6.2, CC.6.3, CC.6.4

and PC.6.3) is confusing and does not provide sufficient clarity of the technical standards to which the OFTO should design its Offshore Transmission System. Without clarity of the design parameters, it will be very difficult to objectively carry out the required compliance testing. We believe the drafting of this section of the STC should be reviewed by the Committee, in parallel with any proposals brought forward with respect to STC compliance testing.

- c) Whilst we fully appreciate the need for a technically compliant system, there appears to be a differing treatment between different types of TO. Section C, Part 3 defines the requirements on each party to test its own transmission system and to provide NGET with the results if required. The proposals in CA042 would be for mandatory testing of the OFTO system, by NGET. We do not understand why these requirements are fundamentally different and indeed why OFTOs would not be permitted to similarly self certify compliance. The OFTOs' licences contain similar requirements to comply with the STC as the onshore TOs.
- d) We are sure that most OFTOs will value NGET's advice on design matters, but it seems unnecessary for NGET to undertake its own design assessment of Section K compliance. This appears to create unnecessary duplication of work that the OFTO will need to do anyway, without NGET providing any guarantee of design compliance from this part of the process. Unless this process takes place early in the design lifecycle, at a time when the design can still be influenced, it appears to offer little assurance to the OFTO.
- e) In respect of the proposed drafting to section 8.1, we would expect to see some reasonableness test to the OFTO's obligations to provide information, the timescales for arranging tests and levels of assistance provided. Similarly we would expect to see a test of reasonableness on the technical information required to be provided under Schedule 3 (m).

We believe that the points raised in this letter should be addressed before any proposal for Offshore Transmission System compliance becomes part of the STC. We strongly believe that the OFTOs should be given an opportunity to contribute to this important development of the STC, such that it can meet the requirements and objectives of all interested parties. If you wish to discuss any of the points raised in the letter then please feel free to contact me.

Yours sincerely



Dr Chris Veal
Managing Director