

Offshore Transmission Coordination Project (OTCP) Measures – Implementation Progress Annual Update (June 2013)

BARRIER	MEASURE	LEAD	ACTIONS TAKEN SINCE MARCH 2012	PLANNED FUTURE ACTIONS AND ESTIMATED TIMINGS
Planning an efficient and economic network	Enhancing NETSO role in connection offer process	Ofgem	<ul style="list-style-type: none"> • Consultation on potential measures to support efficient network coordination, including asking whether NETSO's role in the connection offer process is sufficient to ensure that network development needs are addressed (March-June 2012) • Publication of consultation responses, suggesting a greater role for NETSO in offshore system planning (July 2012) • Further Ofgem consultation on Coordination Framework, including considering potential improvements to the Connections Infrastructure Options Note (CION) process (December 2012 – March 2013). Consultation included a stakeholder workshop (January 2013) • Consultation responses, including those on possible CION improvements, published on Ofgem website (March 2013) • Ofgem's Integrated Transmission Planning and Regulation (ITPR) project, which is considering system planning arrangements and NETSO's role in the connections offer process), published a call for evidence on the materiality of potential issues (November 2012). • Ofgem consultation on possible changes to wider system planning roles and responsibilities as part of the ITPR project (June 2013). 	<ul style="list-style-type: none"> • Ofgem to produce policy statement on Coordination Framework, including on NETSO role in identifying coordination opportunities (early summer 2013). • NGET and industry to consider improvements to CION process
	Improvements to network documents	Ofgem/ NGET	<ul style="list-style-type: none"> • Ofgem consultation on potential measures to support efficient network coordination, including whether network planning documents should be consolidated and enhanced (March-June 2012) • NGET publication of feedback on its proposals for improvements to network planning documents (the Offshore Development Information Statement (ODIS) and the Seven Year Statement (SYS)) (July 2012) • NGET published streamlined network planning document, the Electricity Ten Year Statement (ETYS) 2012 (Nov 2012) • NGET to conduct stakeholder engagement/industry consultation on development of Future Energy Scenarios (FES) that will be used in (among other things) the ETYS 2013 (February – March 2013) 	<ul style="list-style-type: none"> • NGET to publish FES (18 July 2013) • NGET to publish ETYS 2013 (November 2013) – further improvements expected following stakeholder feedback on 2012 ETYS • Ofgem to consult on (and implement) changes to NGET Special Licence Condition 2F (ODIS) and Standard Condition C11 (SYS) (throughout 2013)
Anticipatory investment (AI)	Consultation on Coordination Framework, including AI for	Ofgem	<ul style="list-style-type: none"> • Consultation on potential measures to support efficient network coordination (March-June 2012), including definition, types, process and high level principles and objectives of developer-led AI (the building of assets which go beyond the 	<ul style="list-style-type: none"> • Ofgem to produce policy statement on Coordination Framework, including on the framework for anticipatory and Wider Network Benefit investment offshore (early summer 2013) with likely further consultation on detailed aspects of the framework (late

	generators and investment route for wider network benefit		<p>needs of an immediate generation project) and investment to allow for strategic wider works offshore</p> <ul style="list-style-type: none"> • Consultation responses on developer-led AI and investment to allow for strategic wider works offshore published (July 2012) • Publication of policy proposals and further consultation on framework for investment needed to support coordination (December 2012 – March 2013) 	<p>summer)</p> <ul style="list-style-type: none"> • Changes to licenses and/or tender regulations, subject to outcomes of policy decisions, as well as changes to Industry codes through normal governance procedures (throughout 2013/14)
Consenting	Anticipatory consenting	CLG	<ul style="list-style-type: none"> • Consultation on revised guidance documents for major infrastructure planning regime, to clarify that transmission infrastructure of an anticipatory nature (such as additional onshore ducts for future cables or additional circuit breaker bays on offshore platforms) may be considered as associated development (April-July 2012) • Publication of guidance setting out the requirements and procedures for the pre-application process and consultation for major infrastructure projects (January 2013) • Publication of associated development guidance for major infrastructure projects. This guidance includes examples of offshore transmission infrastructure (April 2013) 	<ul style="list-style-type: none"> • Publication of remaining four Planning Act guidance documents for major infrastructure projects (Spring – Summer 2013)
Risk-reward profile	Development of offshore charging	NGET, industry	<ul style="list-style-type: none"> • Creation of Offshore Coordination Transmission Working Group, facilitated by NGET, to develop offshore integrated charging proposal (May 2012) • Progress of the group presented to industry through Transmission Charging Methodologies Forum (September 2012) 	<ul style="list-style-type: none"> • Integrated charging methodology proposal submitted to Connection and Use of System Code (CUSC) Panel (Spring/Summer 2013) • Final integrated charging methodology proposal to Ofgem (Winter 2013) • Earliest implementation of proposed integrated charging methodology (Spring/Summer 2014)
	Decision on proposed user commitment arrangement changes	Ofgem/ NGET & industry	<ul style="list-style-type: none"> • Ofgem approval of industry proposal on user commitment arrangements (CMP192) to codify the enduring arrangements. The proposal sought to reduce liabilities for onshore and offshore generators whilst also seeking to minimise risks of stranded assets to consumers (March 2012) • NGET publication of guidance on CMP192 (May 2012) • NGET issued indicative security requirements to developers (September-October 2012) • Ofgem published an open letter consultation on interim user commitment arrangements for non-generation network users i.e. interconnectors and large demand customers (October 2012) • Ofgem consultation outlining possible changes needed to user commitment to support generators developing anticipatory or wider work investments (December 2012) • NGET issue finalised security requirements to developers (January 2013) • Developers provide security (February 2013) 	<ul style="list-style-type: none"> • Building on responses to December 2012 consultation, further assess potential changes to user commitment arrangements to support generator focused anticipatory investment in line with proposals. • Change can be initiated by industry parties/National Grid by proposing a modification to the Connection and Use of System Code (CUSC) • Ofgem would be required in due course to make a decision on any such CUSC modification proposed.

Regulatory boundaries	Clarification of regulatory interfaces as necessary	Ofgem/ DECC	<ul style="list-style-type: none"> • Ofgem published the ITPR call for evidence on the materiality of the potential issues, which includes the interfaces between the separate regimes (November 2012). • Ofgem ITPR consultation on options to improve interfaces between the regulatory regimes (June 2013) 	<ul style="list-style-type: none"> • .Further development of ITPR project (ongoing)
	Engagement with North Seas Countries' Offshore Grid Initiative (NSCOGI)	DECC/ Ofgem	<ul style="list-style-type: none"> • Energy Ministers from across Europe met to discuss NSCOGI findings and agreed that work should continue in 2013 (December 2012) • Report to Ministers outlining key messages from NSCOGI and publication of reports, including on offshore transmission technology, trading arrangements for integrated offshore networks, high level principles for the development of cross-border infrastructure, procedural guidelines with recommendations for national planning authorities, and costs/benefits of a meshed or radial grid configuration in 2030 • Agreement that NSCOGI acts as Regional Group for identification of projects of common interest (PCIs) under the Infrastructure Regulation (April 2012) 	<ul style="list-style-type: none"> • Continuation of work in all three work streams, including the following (ongoing) : <ul style="list-style-type: none"> - arrangements for trading renewables across interconnectors in different time frames - allocation of costs and benefits of joint infrastructure, definition of assets, - consideration of possible delivery mechanisms for an integrated hybrid (offshore generation and interconnection combined) asset in the North Seas. - impact on trading of national renewable support schemes - regulatory approach to anticipatory investment, - further sensitivity analyses for possible offshore grid configurations - updating of input data - testing of emerging solutions using case studies
Technology	Monitor progress on production of standards for interoperability	DECC/ Ofgem	<ul style="list-style-type: none"> • Offshore Wind Cost Reduction Task Force (CRTF) report published, including recommendations on standardisation (June 2012) • Renewable UK produced paper on potential role a Design Authority could play in authorising the design of certain elements of offshore transmission to promote standardisation and project de-risking (end 2012) 	<ul style="list-style-type: none"> • Offshore Wind Programme Board (OWPB) considering how to take forward standardisation workstream following recommendations from RUK
	Consider proposals for funding innovation	DECC	<ul style="list-style-type: none"> • Second call for Offshore Wind Components scheme (up to £10m total available over two calls), finished (June 2012). Successful applicants announced (February 2013) • European Commission online request for information on Projects of Common Interest (PCI) for potential funding (closed 7 June 2012) • Third call for Offshore Wind Components scheme launched (November 2012) • Fourth call for Offshore Wind Components scheme (up to £4m) launched (February 2013) 	<ul style="list-style-type: none"> • Winners of the third offshore wind innovation competition announced (late 2013) • Winners of the fourth offshore wind innovation competition announced (late 2013)
	Consider proposals for easing the supply chain	DECC	<ul style="list-style-type: none"> • Offshore Wind CRTF report published, including recommendations on innovation and the supply chain (June 2012) 	<ul style="list-style-type: none"> • OWPB taking forward work to see how clearer and earlier project visibility can be delivered to assist the supply chain (ongoing) • Government to continue engaging with industry to attract new cable manufacturers into the market (ongoing)