

# Government response to consultations on offshore electricity transmission

Annex 3: Scope of changes to the System Operator –  
Transmission Owner Code

15 December 2010

This Annex contains a high level view of the changes we expect to be developed to the STC to reflect any obligations placed on the NGET as a result of changes to the CUSC and Grid Code made by the Secretary of State to introduce generator build option on an enduring basis. .

Changes to the STC will need to be developed in 2011. We propose that these changes will be progressed through normal governance processes.

DECC is seeking to extend the powers under sections 90 and 91 of the Energy Act 2004 through its Energy Bill, to ensure that these changes are made in a timely manner should there be any delays to the normal governance process.

### **Potential changes to STC to reflect the offshore generator build option**

We expect that the following sections of the STC will need to be amended to reflect any obligations placed on the NGET as a result of changes to the CUSC and Grid Code to introduce generator build option. The potential scope of the changes to be developed through existing STC amendment processes are set out below.

#### **Section B Governance**

The undertaking of Offshore Transmission System Developer User Works (OTSDUW) by an offshore generator would require an addition to the Party Entry Processes requirements to recognise changes to the documentation to be provided, or entered into by an Offshore Transmission Owner (OFTO).

#### **Section C Transmission Services and Operations**

Transmission Owners provide Transmission Services (regarding planning, development, operation and maintenance of its Transmission System) to NGET. There would be recognition in the case of offshore generators undertaking OTSDUW that the offshore generator has undertaken some of this planning and development work.

Parties may wish to set out the date by which various STC agreements that apply at the Connection Point, such as the Interface Agreement, shall be entered into in the absence of a Completion Date set out in a TO Construction Agreement. This date should consider the timeline for the appointment of an OFTO through the Tender Process and the OTSUA Transfer Date.

Amendment will be required to require NGET to provide the Offshore Transmission Owner/Onshore Transmission Owner with the data and information it needs to enter into the Services Capability Specification. This information is to be provided by the Generator undertaking OTSDUW, under clause 17 of the CUSC Construction Agreement (Schedule 2 Exhibit 3A).

#### **Section D Planning Co-ordination**

Amendment would be required to recognise the impact on Transmission System planning and Investment planning of the connection of OTSUA and the undertaking of offshore generator build through OTSDUW. Amendment will also be required to allow for the sharing of information relating to OTSDUW between STC parties to inform Transmission Investment Plans.

Amendment will be required to require NGET to provide the Offshore Transmission Owner/Onshore Transmission Owner with the data and information it needs to enter into the various agreement provided for in the STC, Connection Site Specifications relating to changes in assets, and Transmission Interface Site Specifications relating to changes in interface assets. This information is to be provided by the Generator undertaking OTSDUW under clause 17 of the CUSC Construction Agreement (Schedule 2 Exhibit 3A). This amendment may also include NGET providing the Offshore Transmission Owner/Onshore Transmission Owner with the information it needs to enter into the Site Responsibility Schedule.

The process regarding construction applications and projects would be amended to include the impact on construction planning assumptions of offshore generator build.

Section D would also be amended to recognise that an OFTO would not be expected to undertake the construction of high voltage assets and the impact of this on the TO Construction Agreement. We would expect the OFTO would be required to enter into an agreement with the NGET to provide Transmission Services. As such, an amendment would be required to set out the relevant documentation to be provided by or entered into by an OFTO where the generator has undertaken the OTSDUW.

Parties may wish to set out the date by which various STC agreements that apply at the Interface Point, such as the Transmission Interface Agreement, Transmission Interface Site, safety rules etc shall be entered into in the absence of a Completion Date set out in a TO Construction Agreement. This date should consider the timeline for the appointment of an OFTO through the Tender Process and the OTSUA Transfer Date.

Amendment may also be required to confirm which site safety rules would apply during the construction of OTSDUW and in which circumstances. This amendment should be consistent with any relevant amendment to the Grid Code.

## **Section G General Provisions**

The STC sets out the circumstances in which rights, powers, duties and obligations of a party under the code, the STC Framework Agreement and any TO Construction Agreement may be transferred or sub-contracted. The STC would be amended to provide that the undertaking of OTSDUW does not constitute sub-contracting by a Transmission Owner to the offshore generator that builds them. The Offshore Transmission Owner would take responsibility for the OTSUA once they are transferred by the offshore generator.

## **Section H**

The STC provides for the parties to escalate and seek resolution of Disputes. Section H would be amended to include Disputes in relation to documentation to be provided by the Offshore Transmission Owner in relation to OTSUA.

## **Section J Interpretation and Definitions**

The STC would be amended to include definitions associated with offshore generator build, including the introduction of a number of new terms, for example, Offshore Transmission System Developer User Works (OTSDUW) and Offshore Transmission System User Assets (OTSUA).

### **Schedule 3 - Information and Data Exchange Specification**

This Schedule would be amended to set out the detailed information that is to be disclosed regarding the construction of transmission assets by an offshore generator through the generator build option.

### **Schedule 5 - NGET Connection Application**

This Schedule would be amended to set out the detailed information to be included in a connection application by NGET submitted to a Transmission Owner pursuant to Section D Part 2 regarding an OTSDUW build application, for example, the scope and extent of the OTSDUW to be undertaken by the offshore generator, details of the New Connection Site and of any proposed Transmission Interface Site.

### **Schedule 9 – TO Construction Terms**

This Schedule includes the pro forma terms for a TO Construction Agreement between NGET and an Offshore Transmission Owner undertaking works at a relevant connection site. The Schedule would be amended to recognise those activities constituting OTSDUW and assets which are OTSUA and where these are included, or excluded, as part of the Construction Agreement terms.

### **Schedule 15 – Transmission Interface Agreement**

This Schedule sets out the terms of the Agreement by which Transmission Assets of one party may be installed and operated on the property of another party at an interface point. This Schedule would be amended to reflect that an OFTO party should have a Transmission Interface Agreement in place for generator build OTSUA by the OTSUA Transfer Date.

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Department of Energy & Climate Change  
3 Whitehall Place  
London SW1A 2AW  
[www.decc.gov.uk](http://www.decc.gov.uk)

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