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Ofgem
OFTO Build Tender Development

Sent by email: oftobuild@ofgem.gov.uk

29th May 2024

To whom it my concern,

Consultation Response: Initial proposals for an OFTO Build model to deliver non-radial offshore transmission assets.

The BlueFloat Energy and Renantis Partnership seeks to contribute to a world leading floating offshore wind industry in the UK, combining innovative technology with a plan to attract and grow a skilled workforce and stimulate a thriving local supply chain. We have two floating wind farm sites in Scotland – Broadshore north of Fraserburgh and Bellrock east of Stonehaven, as well as the majority stake in the consortium with Ørsted to develop the Stromar project east of Wick.

We also secured bid success in the recent INTOG leasing round with two innovation projects, Sinclair & Scaraben, which lie adjacent to Broadshore.

In the Celtic Sea, we are developing two floating offshore wind projects, Llywelyn and Petroc, as part of The Crown Estate Leasing Round 5, which could make a significant contribution to helping the UK achieve its 5GW target for floating offshore wind by 2030.

The Partnership welcomes the opportunity to respond to the above consultation in general terms, rather than responding to the specific questions.

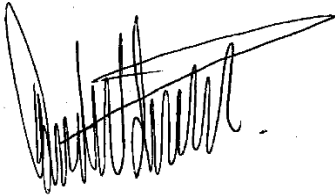
As an offshore wind developer looking to build-out our ScotWind portfolio a key enabling factor will be the development of the methodology to ensure we can connect in a timeous manner. However, we acknowledge the complexities associated with, not just connecting single projects, but multiple developers via a single OFTO.

One of the significant challenges is the existing profile of OFTOs in the UK, which are thinly capitalised and resourced via Special Purpose Vehicles. This has the potential to be compounded further with your proposal of an OFTO-build model, which will put additional burden, to what is an overstretched OFTO profile to construct complex infrastructure without the necessary experience. To try and enable a balanced risk profile the presented model needs to ensure assets are delivered in the most efficient way. As a developer it is essential that meaningful compensation is guaranteed to offset any delays, conversely this would hopefully incentivise OFTOs to build at pace. This will require the OFTO having the relevant experience and capabilities, whether they join the process at an early stage or later.

We do not underestimate the scale of the transmission works required and will require a combined effort by the TO; OFTOs; and developers' communities to achieve the common goal. It will be essential that a monitoring process of the OFTO performance is introduced with associated checks and balances to ensure any risks are identified at an early stage and a mitigation process actioned. Furthermore, the updating of asset classification terms and definitions for radial and non-radial assets in the context of ESO's Beyond 2030 would provide clarity on individual roles and opportunities for collaboration.

The BlueFloat Energy and Renantis Partnership would be keen to engage further on this topic, should Ofgem wish to progress with investigating the OFTO-build model in the context of our construction experience and developer risk compensation.

Yours sincerely



David Stevenson
Head of Regulation & Policy Offshore JV UK