

# OFTO Tender Round 12 Launch and Tender Round 13 Preview Webinar

25 February 2025

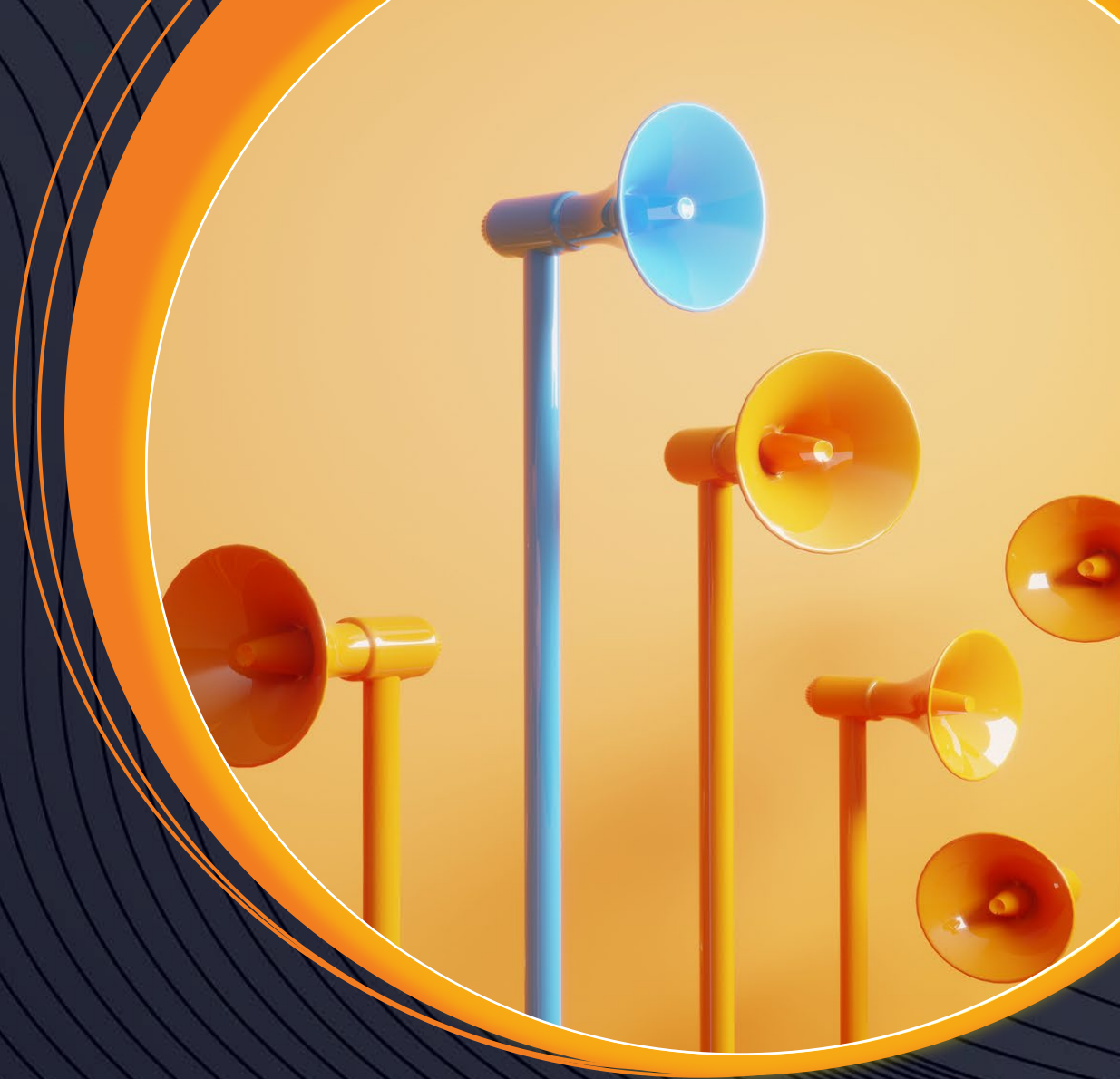


# Agenda

Speaker / facilitator	Subject
Jennifer McGregor, Senior Stakeholder Manager <b>Ofgem</b>	Welcome
Beatrice Filkin, Director, Major Projects <b>Ofgem</b>	Opening address
Jennifer McGregor, Senior Stakeholder Manager <b>Ofgem</b>	OFTO pipeline, Tender Round 13 preview and policy update
Sean Payne, Head of OFTO Tender Management <b>Ofgem</b>	OFTO tender process overview
<b>Questions on OFTO Tender Regime</b>	
Matthew Swanwick, Project Director Gunther Amt, Finance Director Maxime Bergot, OFTO Transaction Manager <b>Sofia Offshore Wind Farm</b>	Overview of Sofia OFTO asset
<b>Questions on Sofia OFTO assets</b>	
Jennifer McGregor, Senior Stakeholder Manager <b>Ofgem</b>	Thanks and close

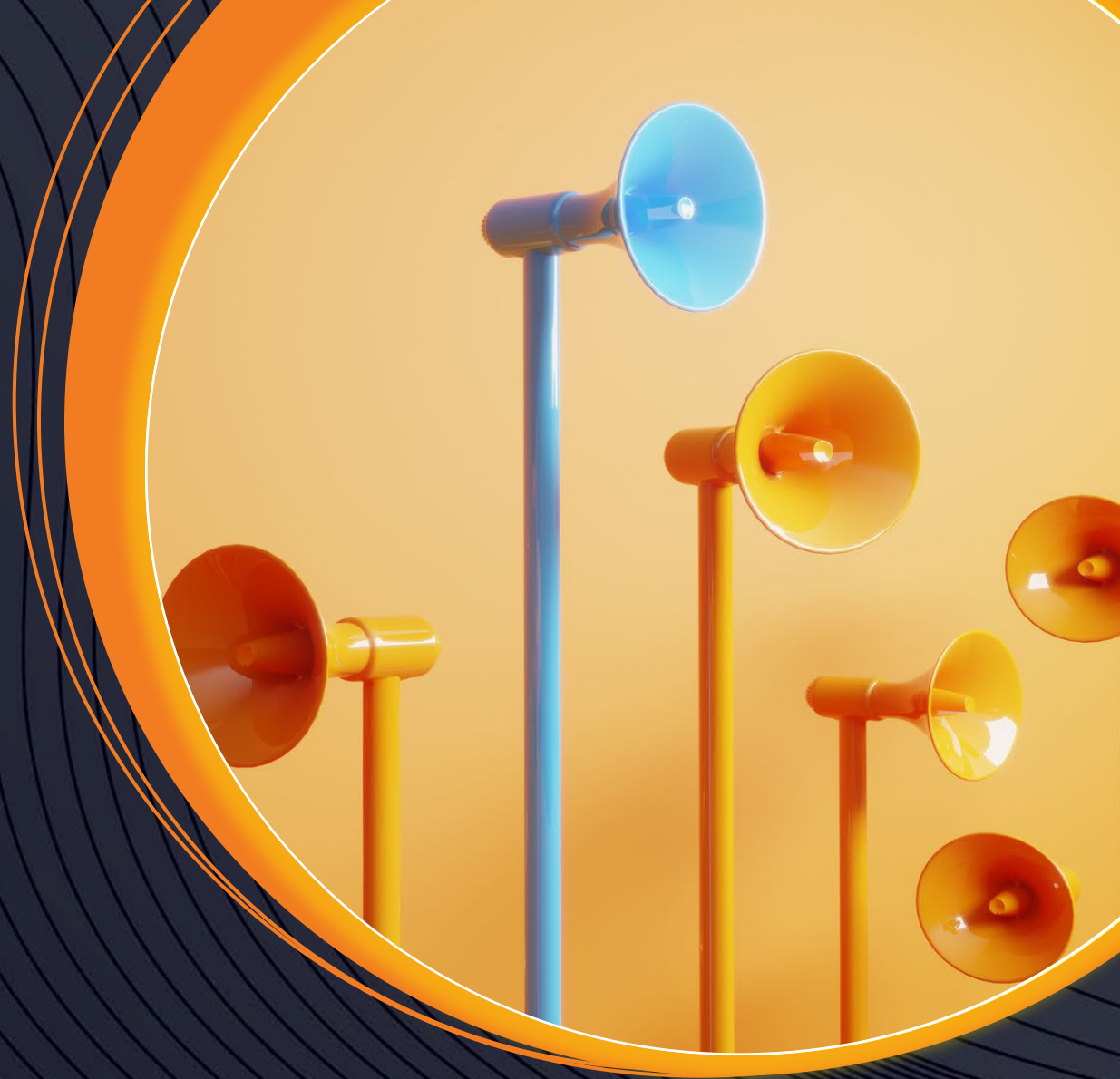
# Beatrice Filkin

**Director  
Major Projects  
Ofgem**



# Jennifer McGregor

Senior Stakeholder Manager,  
OFTO  
Ofgem

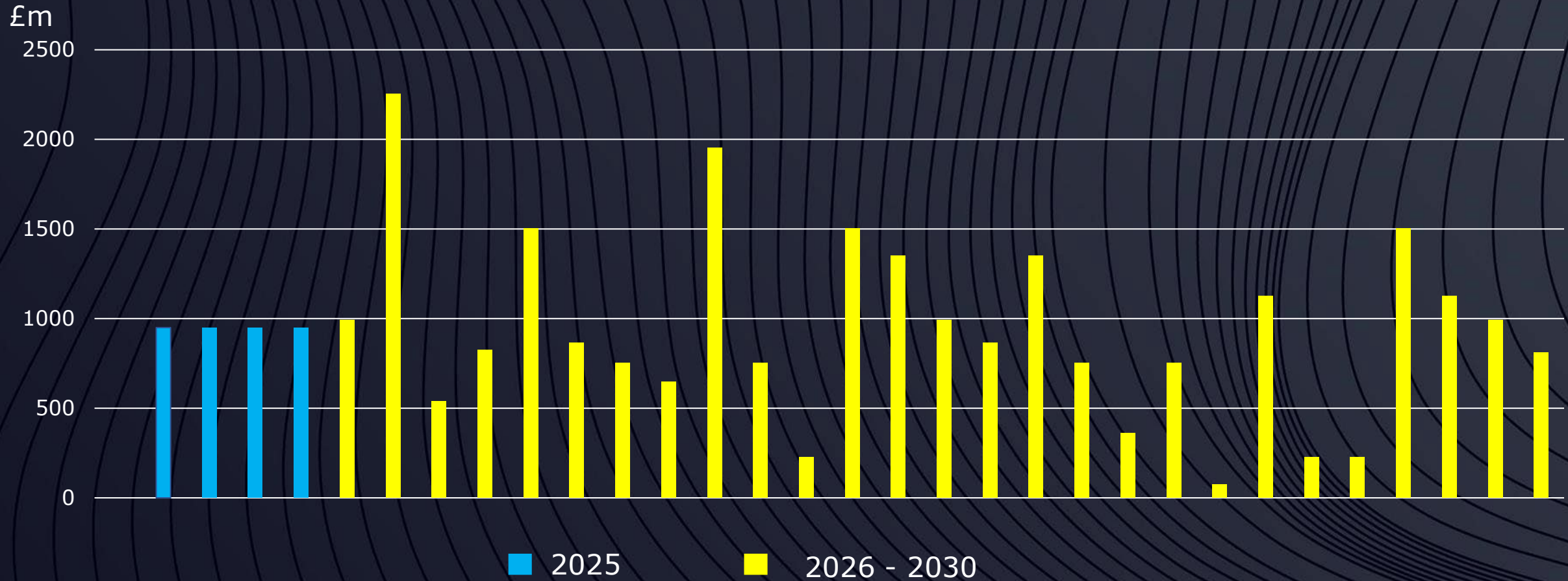


# Forward look: Project Pipeline

- TR12 launches today, with Sofia
  - Deadline for bidders' clarification requests: 22 April 2025
  - EPQ bid submission deadline: 13 May 2025
- TR13 expected to launch in autumn this year with three projects anticipated\*
  - Dogger Bank C
  - East Anglia 3
  - Inch Cape

*\* This reflects developers' intentions based on planned project timings, which are subject to change. We will confirm TR13 projects closer to the time.*

# OFTO tender pipeline



(project timings and estimated values subject to change)

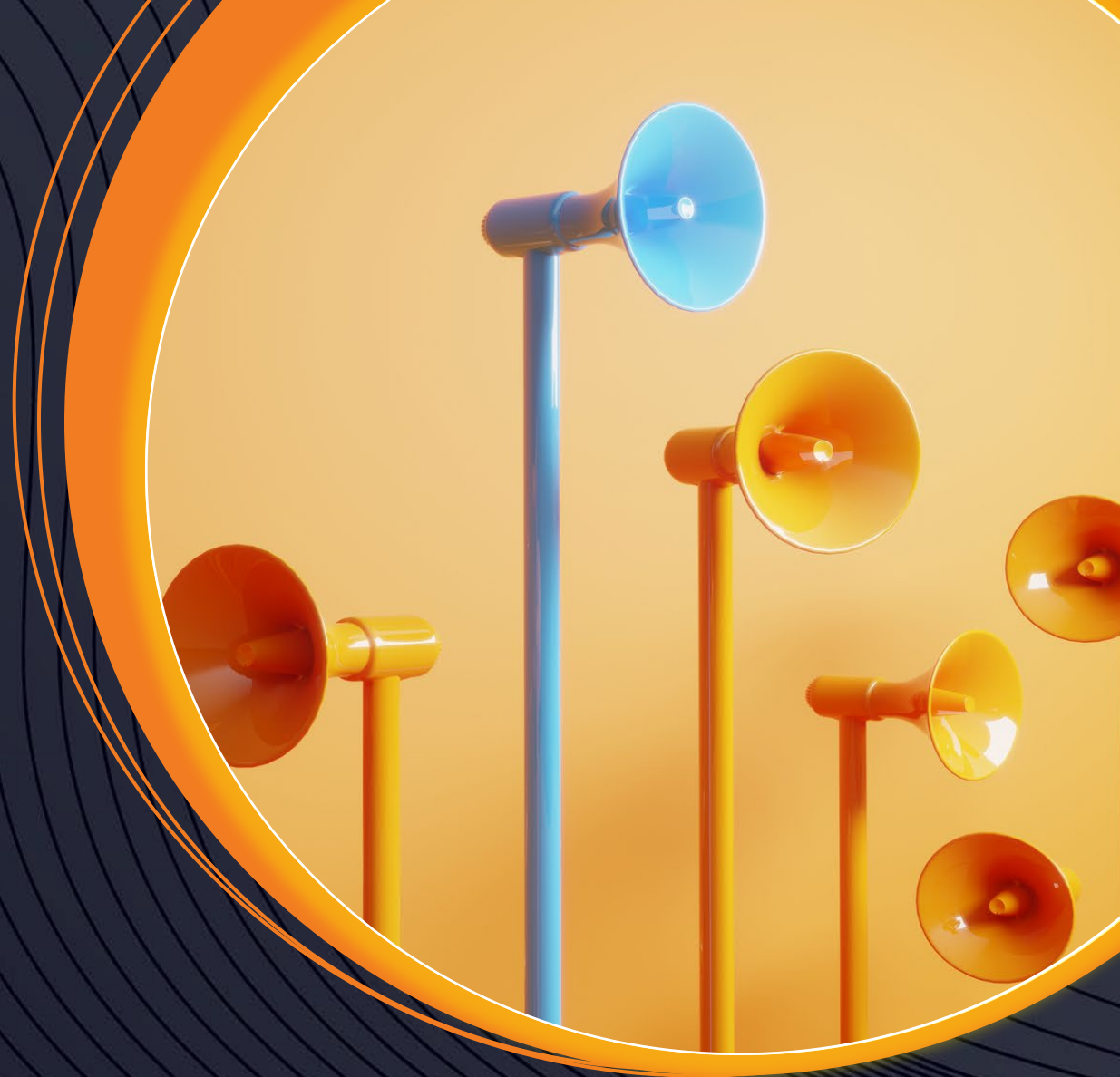
# Forward look: Policy

## Policy being advanced in 2025:

- Life extensions: Consultation ongoing until February 28th
- Coordinated assets: Focus on development of early competition OFTO-build model

# Sean Payne

Head of OFTO Tender  
Management  
Ofgem





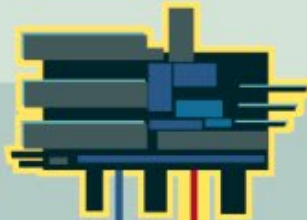


# OFFSHORE TRANSMISSION OWNER (OFTO)

**GENERATOR**

**Offshore substation**

**ONSHORE  
TRANSMISSION  
OWNER (TO)**



**Onshore  
substation**

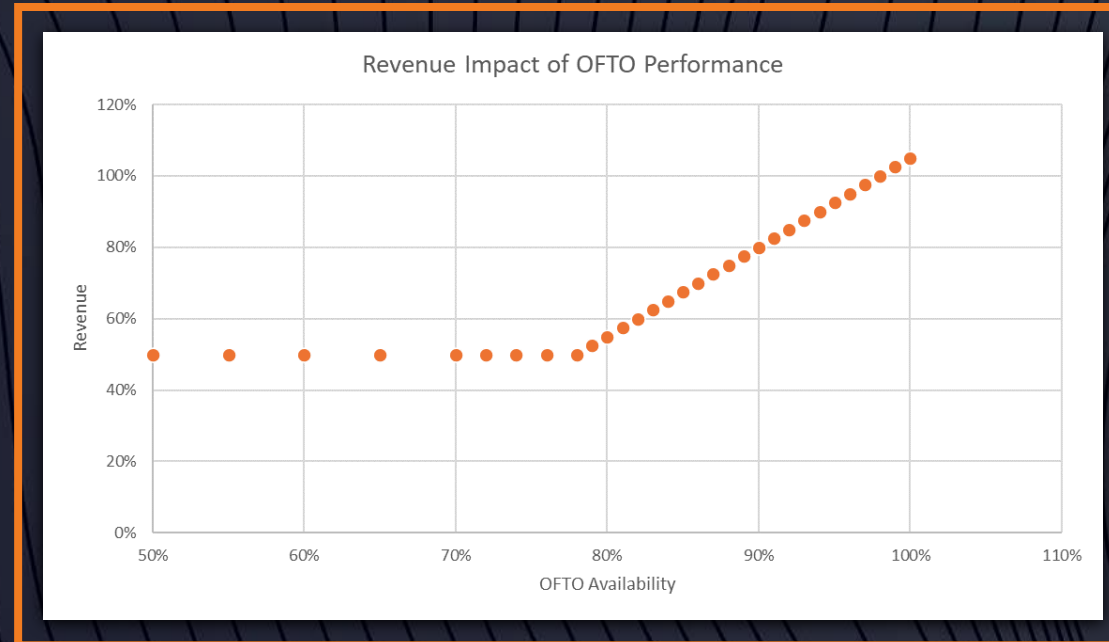


**Subsea cable**

**Inter-array cables**

# Return profile for successful bidder

Inflation-linked revenue to finance, operate and maintain the OFTO assets for up to 25 years



Income is unaffected by output of wind farm.

Payments are subject to bonuses/penalties for over/underperformance against the target of 98% availability. Maximum annual penalty capped at 10%.

Average availability over 99%.

# The tender process

## An overview

Sean Payne  
Head of OFTO Tender Management  
February 2024



# Stages of the tender process and typical timelines

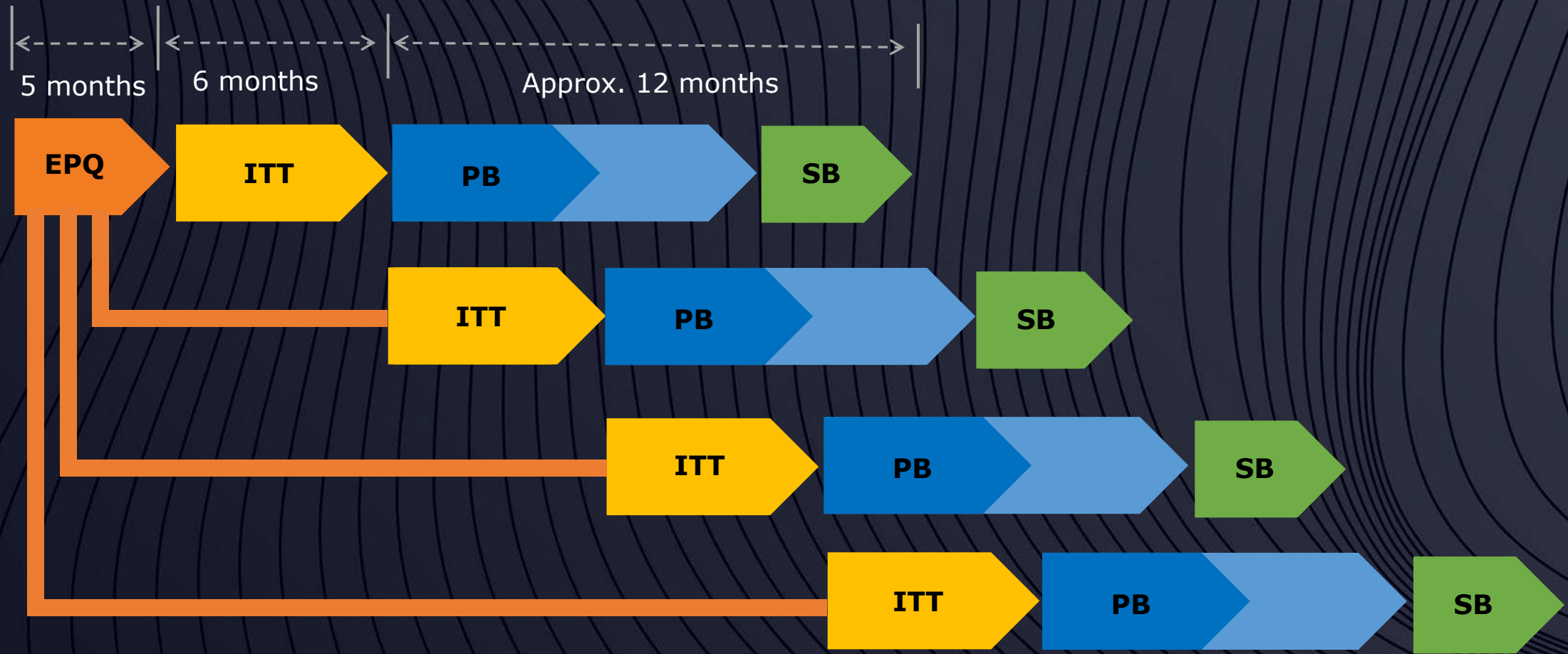
## Stages of the tender process

- Enhanced Pre-Qualification (EPQ)
- Invitation to Tender (ITT)
- Preferred Bidder (PB)
- Successful Bidder (SB)

## Typical tender process timelines

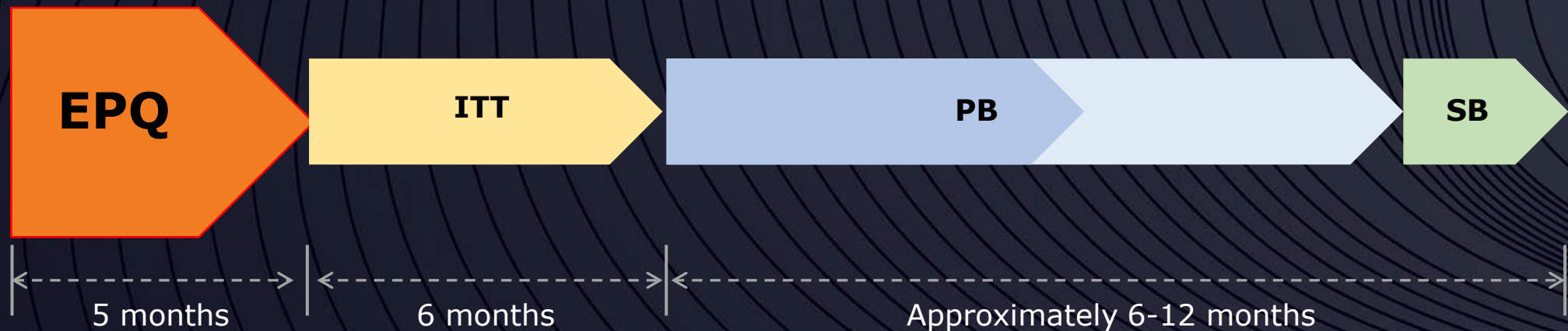


# Multiple asset tender round



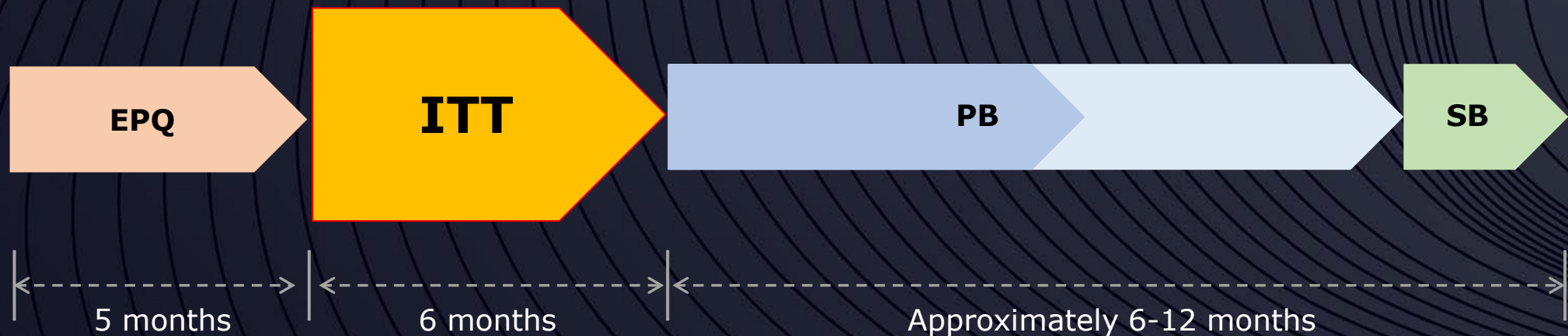
# Enhanced Pre-Qualification

- Open to all to submit an EPQ bid
- Bidders must show relevant experience on past projects
  - Financial standing – bidder solvency; experience of raising capital
  - Technical standing – experience of asset takeover; experience of managing infrastructure assets
  - Prospective approach to asset takeover, management and operations, funding, risk management



# Invitation to Tender

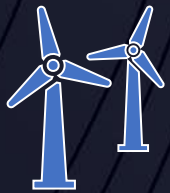
- Only qualifying bidders are invited to participate
- ITT questions and answers are based on project specific assets
- Electronic data room of information is used to enable bidders to undertake asset due diligence
- Questions evaluated on pass/fail basis, with lowest Tender Revenue Stream (TRS) selected to progress to the Preferred Bidder stage



# What we look for



Infrastructure asset experience



Understanding of the nature of the assets being acquired



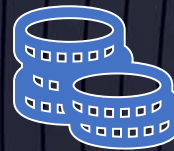
Understanding of both operations and regulatory framework



Understanding the risks inherent in acquisition, management, operation and decommissioning and how to manage and mitigate them



How to diligence an asset acquisition



Understanding how to finance – either through your own resources or capability and experience of raising finance



Assembly of a management team

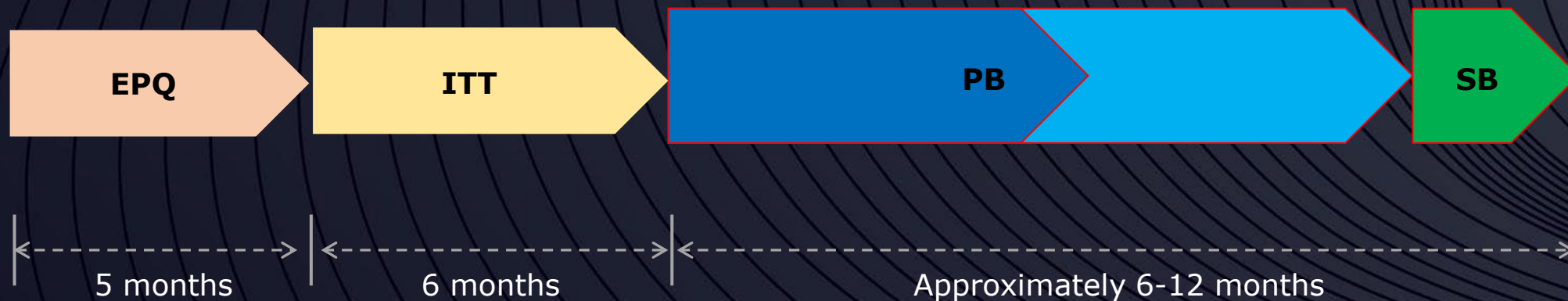


Understanding of funding structure issues: taxation, indexation, operating costs, non-TRS income, financial risks



# Preferred Bidder Successful Bidder

- Final due diligence completed
- Communication is now open between developer and bidder
- Cost assessment to establish Final Transfer Value
- Licence grant and transaction close



# Questions?



**Sofia**

# **OFTO Tender Round 12 launch event**

**25th February 2025**



**RWE**

# Contents and Introduction



- **Project Description**
- **Project Construction Timeline**
- **RWE**
- **Transmission Infrastructure & Contractors**
- **OFTO Assets**
- **O&M**



## **Matthew Swanwick**

*Project Director, Sofia Offshore Windfarm*

- 35 years' experience in energy industry
- Former Project Director at Rampion Offshore Windfarm and Project Manager at Humber Gateway
- **Matthew is accountable for all aspects of the project**



## **Gunther Amt**

*Finance Director, Sofia Offshore Windfarm*

- 20 years' experience within the energy industry and the finance sector
- Former Finance Director of the 342MW Kaskasi Offshore Wind Farm
- **Gunther is responsible for the financial & commercial aspects of the project**



## **Ian Timbrell**

*Engineering Manager, Sofia Offshore Windfarm*

- 20 years' experience within the energy industry and the maritime sector at RWE-Innogy and the Royal Navy
- Former senior interface and project engineer for Gwynt y Mor and Galloper offshore wind farms
- **Ian is managing the engineering aspects of the project**



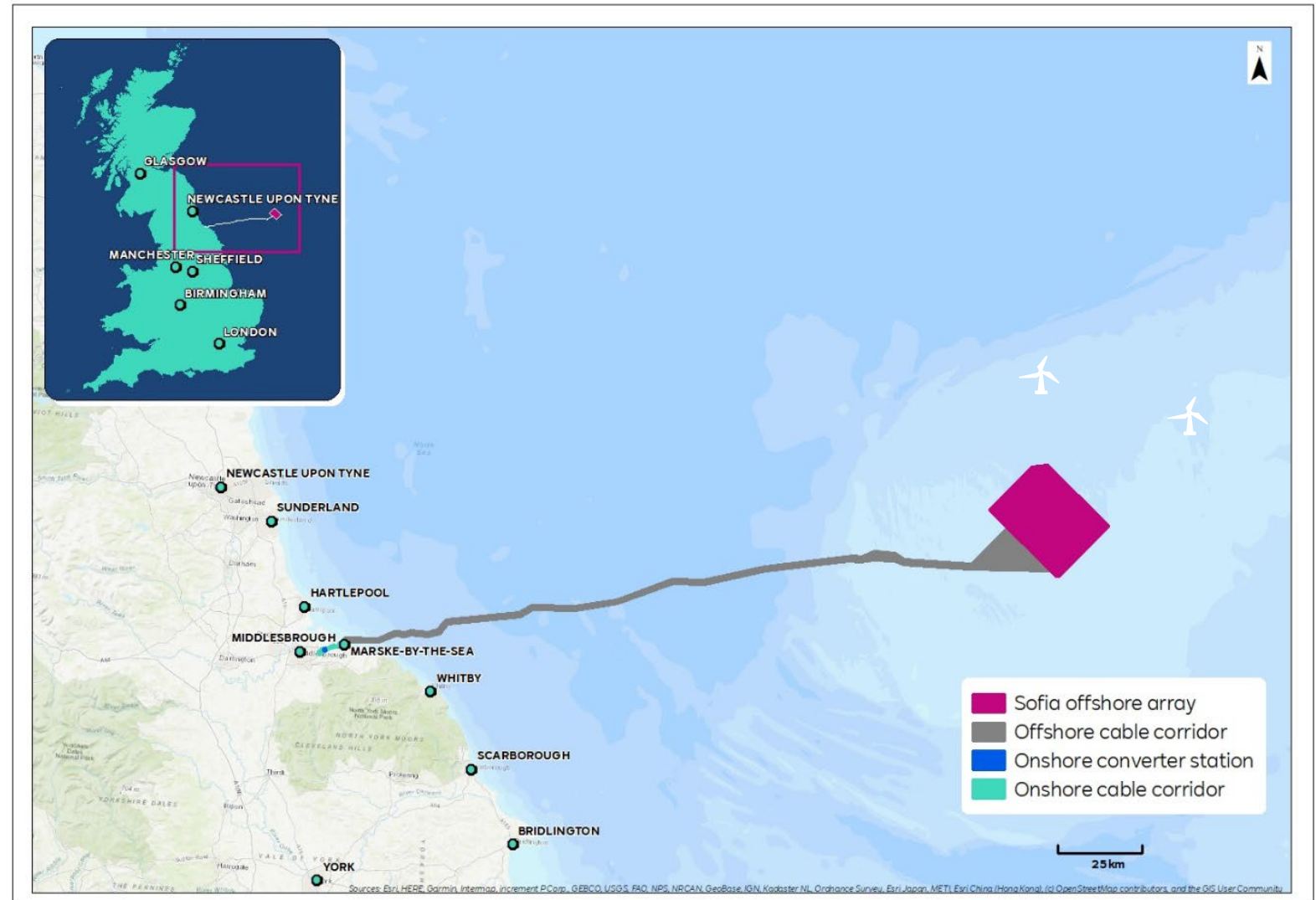
## **Maxime Bergot**

*OFTO Transaction Manager, Sofia Offshore Windfarm*

- Senior M&A and project finance professional with more than 15 years of experience and first-hand knowledge of energy and infrastructure projects
- **Maxime is managing the OFTO tender process & sale of the transmission assets**

# Project Description: Overview and Location

Location	<ul style="list-style-type: none"> <li>Dogger Bank, 195km from the North East coast</li> </ul>
Capacity	<ul style="list-style-type: none"> <li>1.4 GW</li> </ul>
Programme	<ul style="list-style-type: none"> <li>First Power Q3 2025</li> </ul>
Support regime	<ul style="list-style-type: none"> <li>CfD revenues for 15 years (lowest ever strike price £39.65 / MWh)</li> </ul>
Grid Connection	<ul style="list-style-type: none"> <li>To National Grid substation in Lackenby, Teesside</li> </ul>
Transmission	<ul style="list-style-type: none"> <li>HVDC</li> </ul>
Turbines	<ul style="list-style-type: none"> <li>100 x Siemens Gamesa 14MW</li> </ul>
Cable Route	<ul style="list-style-type: none"> <li>&gt;200km offshore, ~7km onshore</li> </ul>
Total Investment	<ul style="list-style-type: none"> <li>In excess of GBP 3 billion</li> </ul>
Developer /Owner	<ul style="list-style-type: none"> <li>RWE (100%)</li> </ul>



# Project Description: Key Project Facts & Figures



## 1.4GW

Installed capacity  
The largest project in RWE's offshore wind portfolio



## 195km

Distance to the North East coast

To the nearest point on the North East coastline



## 593km<sup>2</sup>

Site size

Roughly the same size as the Isle of Man



## 100

Number of turbines  
Each 14MW capacity



## 252m

Turbine height

To the tip of the rotor blade



## 220km

Distance to landfall

To the connection point between Redcar and Marske-by-the-Sea



## 1.2 million

Number of UK homes

That could be powered by electricity generated by Sofia



## 35m

Deepest water depth

At the wind farm site on Dogger Bank

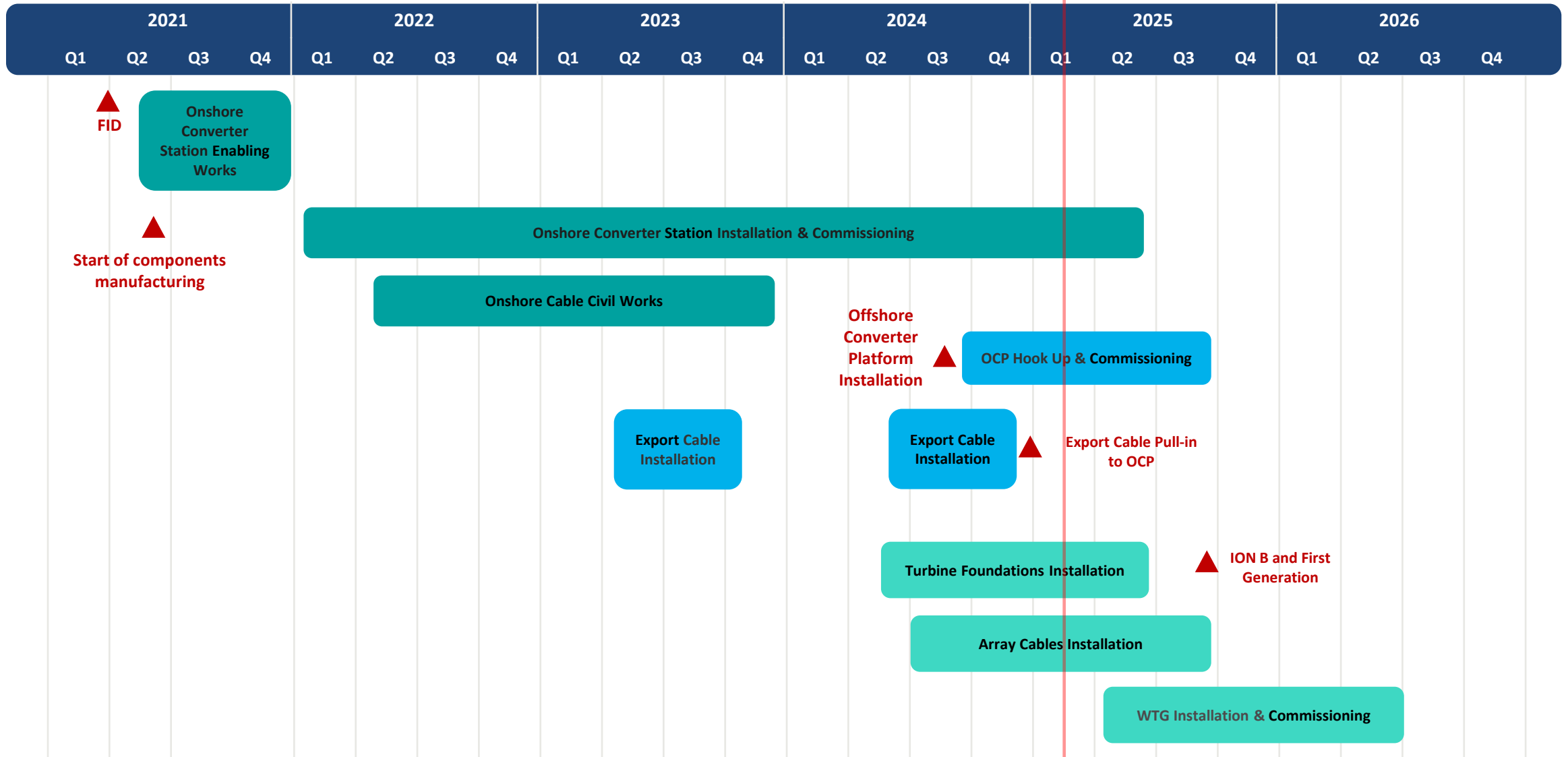


## 20m

Shallowest water depth

The same height as the Angel of the North

# Project Construction Timeline



# RWE: A very strong player in the Renewables & Offshore Wind market



Sofia is 100% owned by RWE AG and RWE Renewables UK Limited (wholly owned subsidiary of RWE) is managing the construction and will also manage the operations of Sofia.

- Through its subsidiaries **RWE Renewables, RWE Generation, RWE Power and RWE Supply & Trading** and a portfolio in excess of **40 gigawatts of generation capacity**, RWE AG supplies clean, reliable & affordable electricity.
- **RWE Renewables** is one of the **world's leading renewable energy companies** with **generation capacity from renewables in excess of 10 gigawatts**.
- **RWE's offshore segment** is a globally leading offshore wind player, being the **world's number 2 in offshore wind**
- **RWE has a strong track record** in developing and delivering **complex projects on budget and in time**
- **RWE Offshore wind development pipeline is in excess of 10 GW**
- **RWE employs** a total of around **20,000 people worldwide** and is headquartered in Essen, Germany.

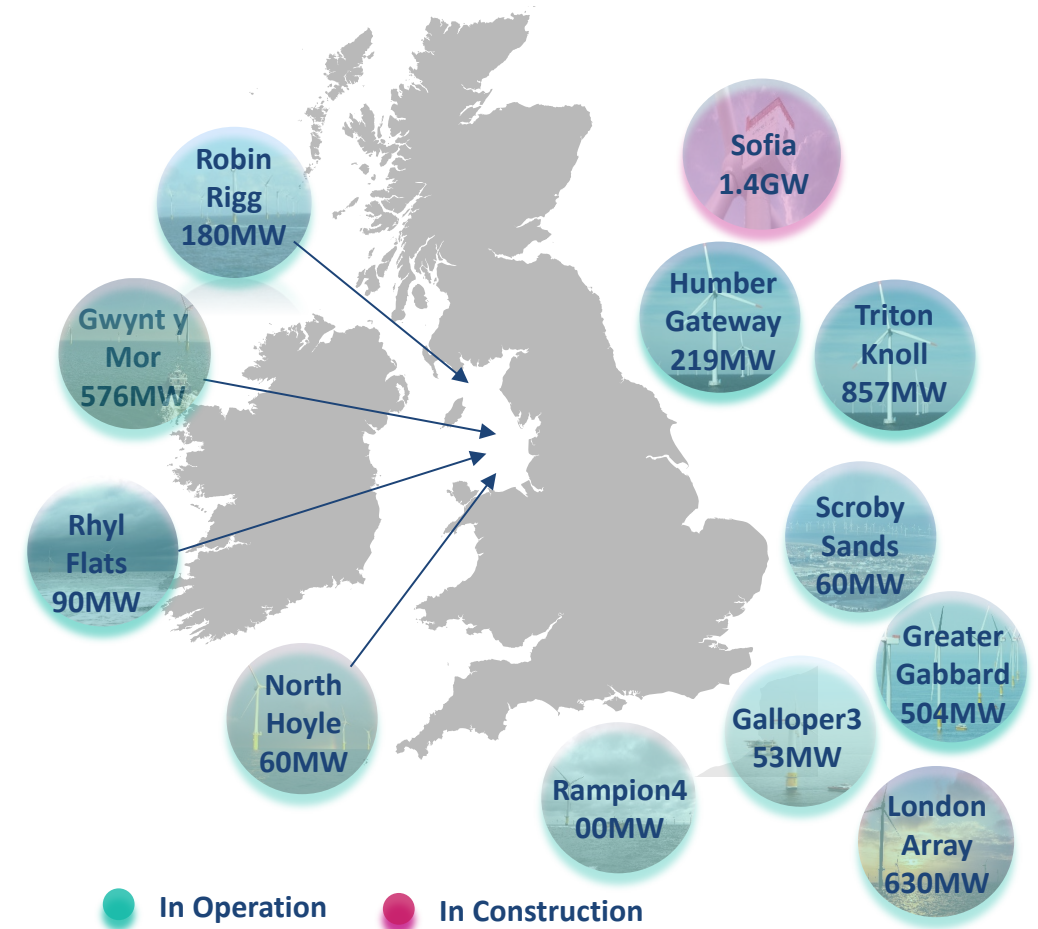


# RWE: Strong in the UK and Offshore Wind in the UK

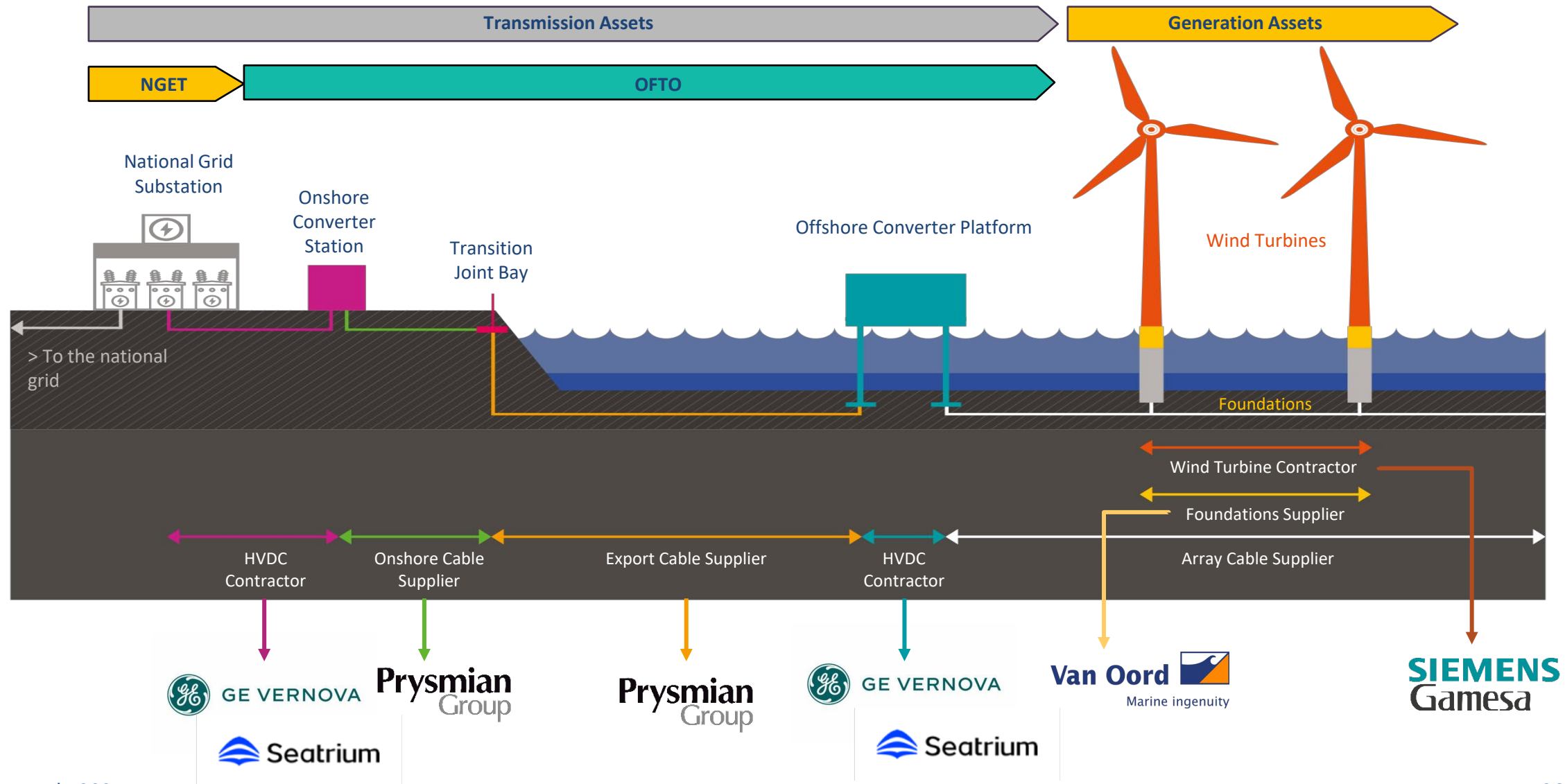


- RWE is **#1 power generator in the UK**, and the **UK is RWE's largest market** and plays a critical role in how we achieve our target of net zero carbon emissions by 2040.
- **RWE directly employs over 3,100 people in the UK**, plus many more indirectly.
- RWE currently operates **10 offshore wind farms in the UK**, farms for a total installed capacity of 1.9 GW (net RWE).
  - **Of which 8 offshore wind farms have taken part in the OFTO regime**
- RWE has the **UK's largest offshore wind development pipeline** with eight projects in development.
- RWE expects to **invest around €8 billion in the UK** in new green technologies and infrastructure by 2030.
  - **With > 10 GW (gross capacity) of offshore wind with Seabed leases rights secured under development**

UK offshore wind farms operated, fully or partly owned by RWE



# Key Infrastructure & Contractors: Overview



# Transmission Infrastructure & Contractors: HVDC System



## Technology

- 1320MW HVDC +/- 320kV DC converter system including two converter substations - one offshore / one onshore, utilising proven Voltage Source Converter technology.
- The offshore converter platform is a normally unmanned installation featuring Walk to Work vessel access and a helideck.



# Transmission Infrastructure & Contractors: Export Cables – Very experienced contractor



## Technology

- Power and communication connection between the substations, subsea and on land
- 320kV HVDC export cables plus fibre optic communications.
- Installed subsea by state of the art installation vessel *Leonardo da Vinci*.

**Prysmian**  
Group

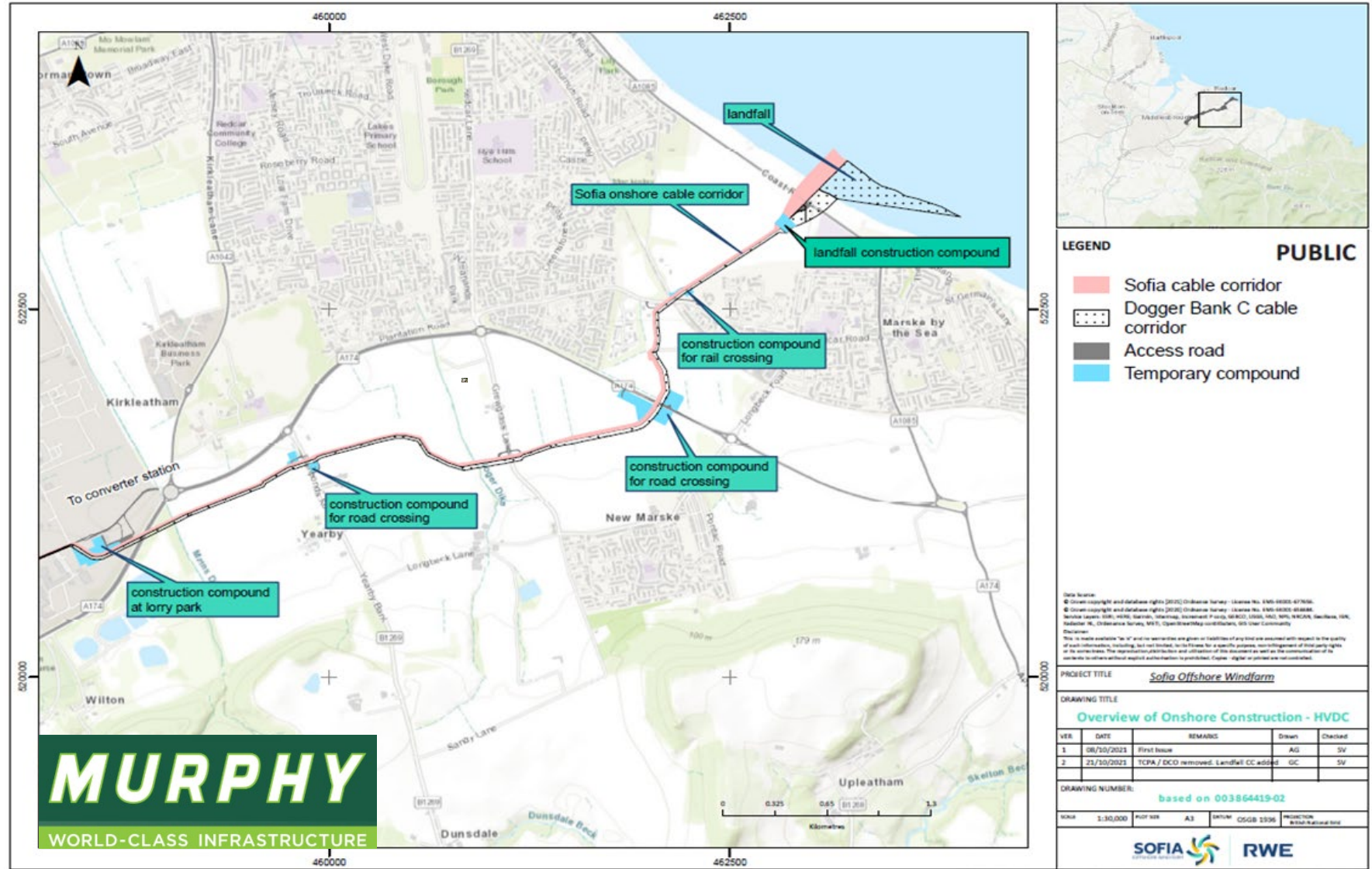


# Transmission Infrastructure & Contractors: Onshore Route



## Technology

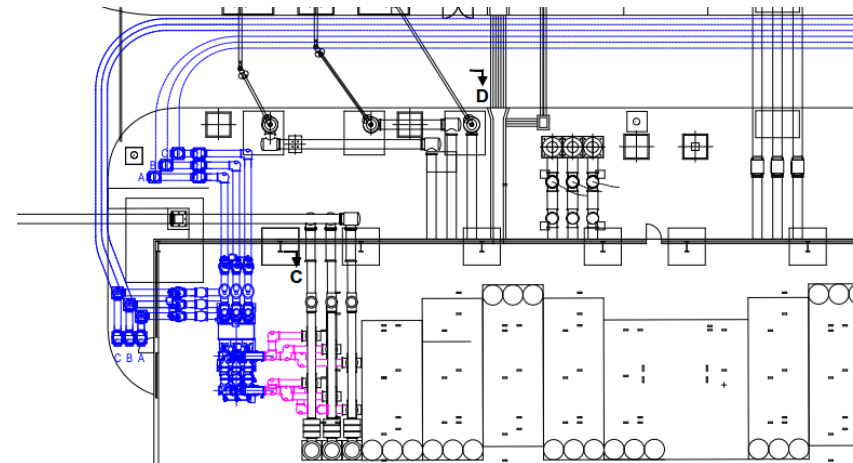
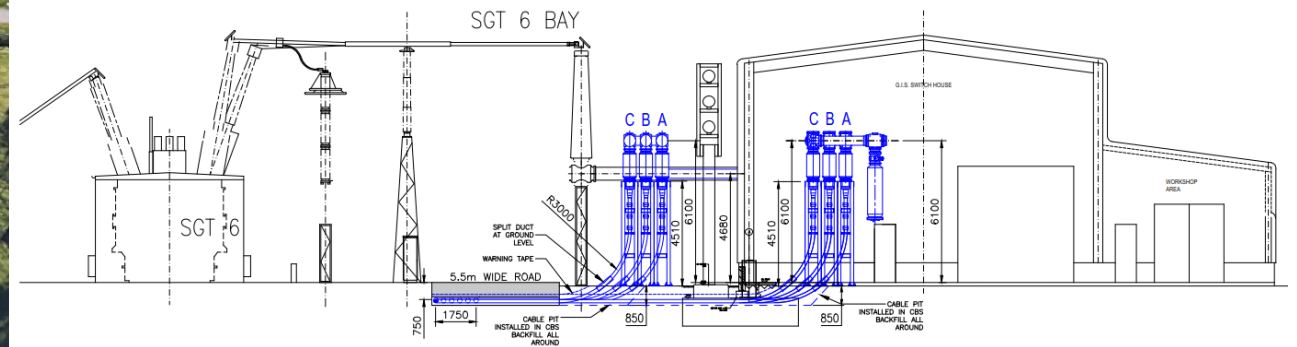
- The onshore electrical system extends from the point of landfall in Redcar, Teesside, to the grid connection point at the National Grid substation at Lackenby.
- It comprises of:
  - a landfall connection / transition joint bays.
  - 7km onshore HVDC and 2km onshore HVAC cable network.
  - a new Sofia onshore HVDC to HVAC converter substation (OCS)



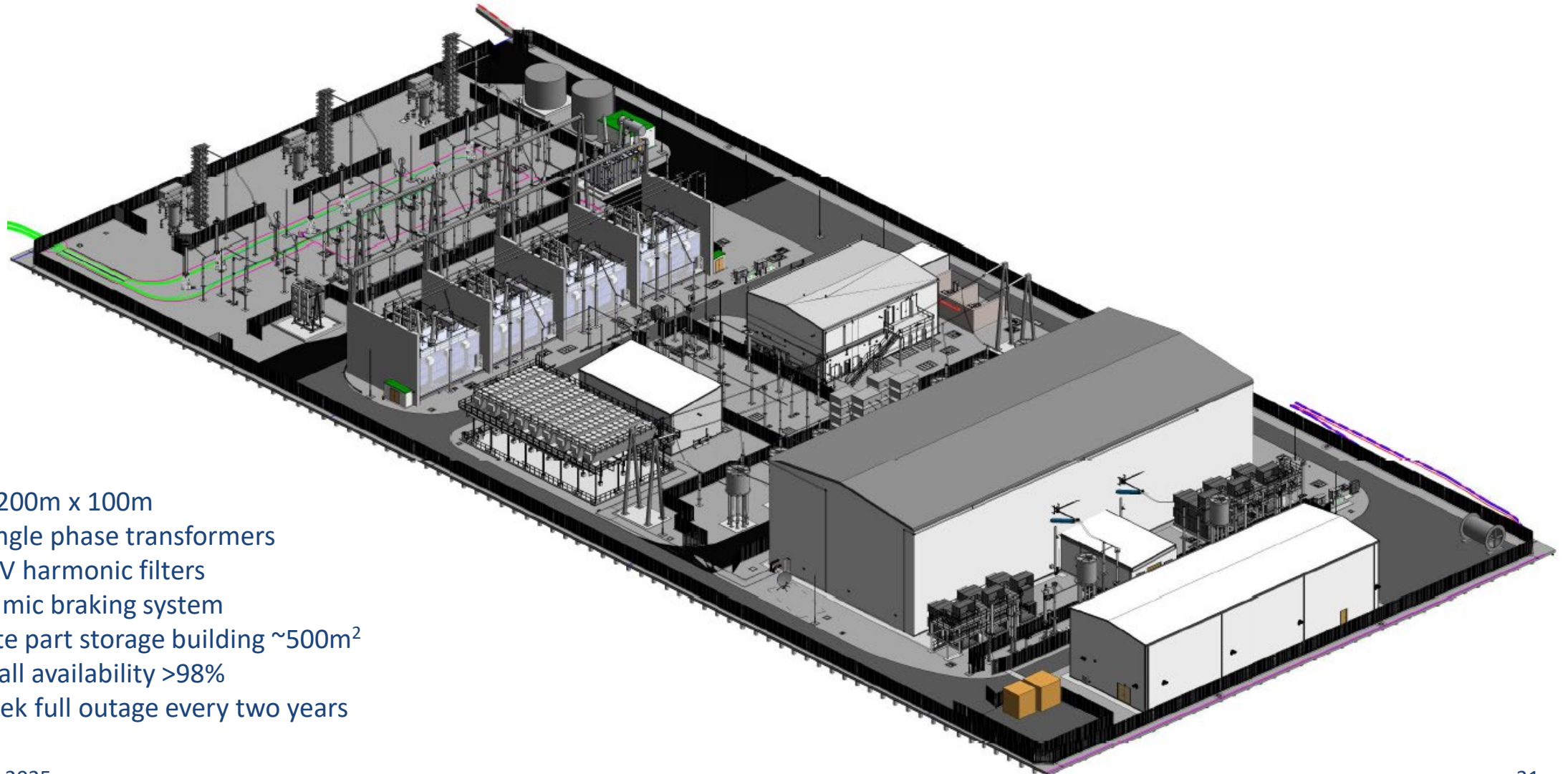
# OFTO Assets: Grid Connection into NGET Substation

## The design consists of:

- One electrical circuit of two sets of 400kV cables.
- Extension of National Grid legacy GIS switchgear.



# OFTO Assets: Onshore Converter Substation



- Plot 200m x 100m
- x4 single phase transformers
- 400kV harmonic filters
- Dynamic braking system
- Onsite part storage building ~500m<sup>2</sup>
- Overall availability >98%
- 1-week full outage every two years

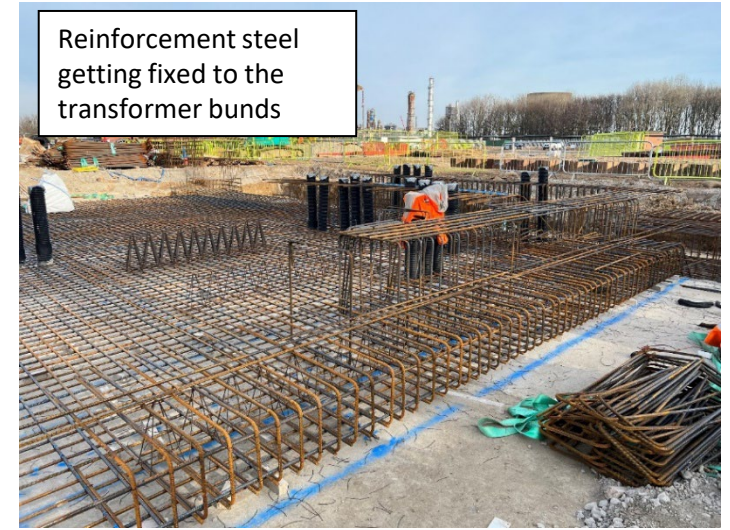
# OFTO Assets: Onshore Converter Substation: works



Storage building cladding nearing completion



Cooler building floor slab construction ongoing



Reinforcement steel getting fixed to the transformer bunds



Valve Hall lean-to section floor slab construction ongoing



Overall drone photo of the OCS site taken Jan 20<sup>th</sup> 2023



Roof cladding to the valve hall commenced



# OFTO Assets: Onshore Converter Substation: overview



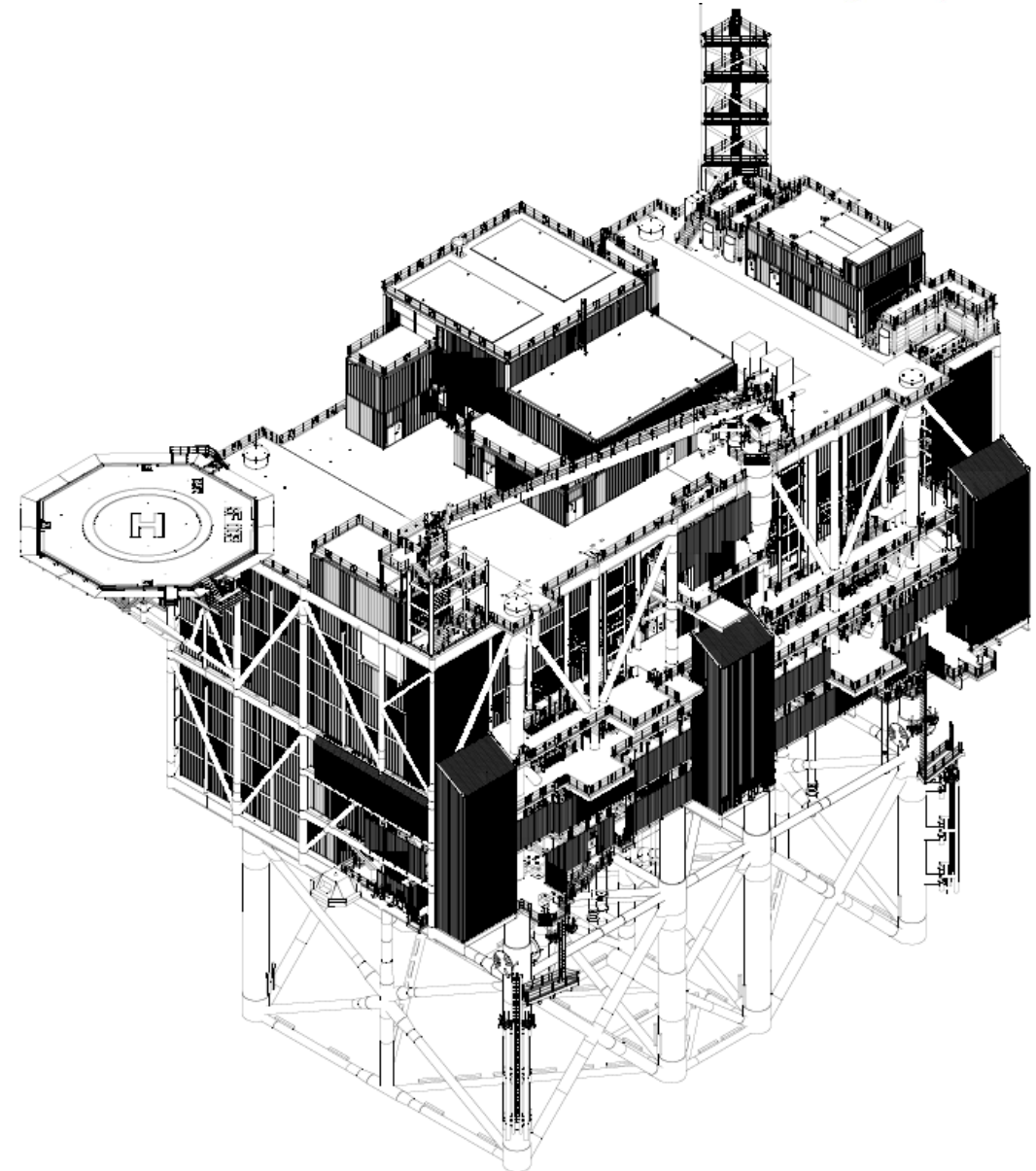
# OFTO Assets: Onshore Cable Route

☉ 56°NE (T) ● 54°35'38"N, 1°2'25"W ±4m ▲ 26m



# OFTO Assets: Offshore Converter Platform

- Topside ~11,000 tonnes
- Jacket & Piles ~7,000 tonnes
- Topside size approx. 78m x 36m x 33m
- 6 decks
- Helideck
- Jacket & Topside installed in one campaign
- Fabrication at SMOP's Batam yard, Indonesia
- Transportation
  - Heavy Transport Vessel (HTV)
  - Batam > Installation Site
  - Ready for sail-away Feb Q2 2024



# OFTO Assets: Offshore Converter Platform: 1



# OFTO Assets: Offshore Converter Platform: 2



# OFTO Assets: Offshore Converter Platform: 3



# O&M

- The Sofia offshore wind farm will be operated out of the “Grimsby Hub”.
- Sofia is able to provide Operations and Maintenance Services for the OFTO assets and intend to propose a Management, Operations (including control room activities and logistics) and Maintenance Services proposal for the OFTO assets at Sofia wind farm.





**SOFIA**  
OFFSHORE WIND FARM



**RWE**



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# Final questions?



# Next steps

- See TR12 documentation on our website from today
- Register on Tender portal for access to bid documents:  
<https://ofgem.bravosolution.co.uk/>
- Reminder of key TR12 dates:
  - Bidder clarification requests by **22 April 2025**
  - EPQ bid submissions by **13 May 2025**
- Programme of events upcoming including an OFTO conference this summer and masterclasses for future bidders

# Thank you

Any questions to:

[tendercoordinator@ofgem.gov.uk](mailto:tendercoordinator@ofgem.gov.uk)



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