

## Great Britain Security and Quality of Supply Standard Fundamental Review

### Offshore Transmission Systems Working Group Terms of Reference

<b>Working Group:</b> 5	<b>Chairperson:</b> Ivo Spreeuwenberg
<b>Title of Working Group:</b> Offshore Transmission Systems (OTS)	
<b>Background:</b> <p>This Working Group has been formed by the GB SQSS Project Steering Group and forms part of the project for the Fundamental Review of the GB SQSS as detailed in the GBSQSS Fundamental Review Project Definition Document.</p> <p>The Office of Gas and Electricity Markets (Ofgem) and the Department for Business and Regulatory Reform (BERR) have been working together to implement a regulatory regime for offshore transmission systems.</p> <p>As part of the Ofgem / BERR work to implement a regulatory regime for offshore transmission system, Ofgem requested that National Grid develop the current GB SQSS (2004) to include offshore transmission systems as well as the onshore transmission system.</p> <p>The new draft offshore generation connection criteria have been based on a series of cost benefit analyses (CBA) conducted by The Centre for Sustainable Electricity and Distributed Energy (SEDE). The scope of the CBA was bounded by certain pragmatic assumptions, which recognised the technology available at the time the analyses were carried out; including the Round 1 and Round 2 offshore developments. National Grid submitted their final change proposals to Ofgem in the form of a redrafted <b>GB SQSS dated 29 April 2008</b><sup>1</sup>. The change proposals currently form part of Ofgem's consultation process on offshore electricity transmission.</p> <p>The publication titled: 'Offshore Electricity Transmission – A Joint Ofgem / BERR Regulatory Policy Update', dated 13 June 2008, explained that:</p> <ol style="list-style-type: none"><li>1. before a decision could be reached on National Grid's recommendations in respect of the Offshore Generation Connection Criteria, further analysis work should be undertaken by National Grid (with the assistance of SEDE and interested industry participants) to assess the sensitivity of the recommendations to amend a previous decision to assumptions about offshore platform costs.</li></ol> <p>The publication also explained that the Offshore Generation Connection Criteria require further development to:</p> <ol style="list-style-type: none"><li>2. Analyse and define the basis for an offshore security standard that can cater for generation projects of the size and location of R3 projects.</li></ol>	

<sup>1</sup> A PDF copy of the 29 April 2008 draft GB SQSS can be accessed from the Ofgem website at the following link: [draft GB SQSS, dated 29 April 2008](#)

In addition, in drafting the change proposals, the connection of External Interconnections (from External Systems) to an offshore transmission system was taken to be outside the scope of the exercise. Ofgem have separately explained that the Offshore Generation Connection Criteria now require further development to:

3. Analyse and define the basis for an offshore security standard that can cater for the connection of External Interconnections (from External Systems) to offshore transmission systems.

**Scope:**

Item (1) above is outside the scope of the Fundamental Review and will continue to be addressed under the work to develop the GB SQSS to include offshore transmission systems as well as the onshore transmission system. Item (2) is within the scope of the Fundamental Review (Briget Morgan's (Ofgem) letter to Edgar Goddard (Chairman, GB SQSS Review Group) SQSS, dated 18 July 2008 refers). Item (3) above is also within the scope of the Fundamental Review.

Accordingly, the Offshore Transmission Systems Working Group will build upon National Grid's earlier change proposals (dated 29 April 2008) and:

- Analyse and define the basis for an offshore security standard that can cater for generation projects of the size (i.e. larger than 1500MW) and location (i.e. more than 100km from the shore) of R3 projects and the connection of External Interconnections (from External Systems) to offshore transmission systems.

The work will include:

- Establish an agreed Data Set/s for use in cost benefit analyses on Round 3 projects and in respect of the connection of External Interconnections to offshore transmission systems;
- Conduct further cost benefit analyses, as appropriate, to support any new and/or modified recommendations relative to those underlying the NGET change proposals dated 29 April 2008;
- Develop new recommendations and / or modifications to the existing recommendations underlying the offshore generation connection criteria contained in the NGET change proposals dated 29 April 2008;
- Translate the new or modified recommendations into appropriate criteria and/or methodologies; and
- Assist the GB SQSS Drafting Working Group, as necessary, in developing change proposals to the GB SQSS in the form of additional or modified change proposals to the current NGET change proposals dated 29 April 2008.

In addition, the Working Group shall take due account of:

- Interactions with the work of other Fundamental Review Working Groups; and
- In the context of any change proposals to the GB SQSS arising, compatibility with other industry Codes (e.g. GB Grid Code).

**Deliverables:**

The Working Group deliverables include:

- Outline Principles Document (15 October 2008)  
Written report to the Programme Manager on issues being addressed, new issues arising, approach adopted for addressing issues, progress to date and likely outcome (where reasonably known).  
The Programme Manager will then consolidate the individual 'Outline Principles Documents' from each Working Group into a single document and submit for consideration by the Project Steering Group.
- High Level Proposals (December 2008)  
Written report to the Programme Manager on progress in the form of high level proposals to address issues.  
The Programme Manager will then consolidate 'High Level Proposals' reports from all Working Groups into a single document and submit for consideration by the Project Steering Group (January 2009).
- Draft Change Proposals (May 2009)  
Issue detailed proposals and assist the GB SQSS Drafting Working Group, as necessary, in developing draft change proposals to the GB SQSS in the form of additional and/or modified change proposals to the NGET change proposals dated 29 April 2008.  
The Programme Manager, with the assistance of the GB SQSS Drafting Working Group, will consolidate the draft change proposals from all Working Groups into a single set of change proposals and submit for consideration by the Project Steering Group.
- Final Change Proposals (August 2009)  
Issue final detailed proposals taking account of comments received on draft change proposals.  
The Programme Manager, with the assistance of the GB SQSS Drafting Working Group, will prepare the consolidated set of change proposals to the GB SQSS (i.e. in the form of draft amendments to the draft GB SQSS dated 29 April 2008) and submit for consideration by the Project Steering Group.
- Final Change Proposals Consultation (First Consultation), (Sept to Oct 2009)  
Assist the Project Steering Group, as required, to conduct a targeted consultation on the consolidated final change proposals with participants of the Industry Peer Review Group.  
Following the First Consultation the GB SQSS Drafting Working Group will (with assistance of other Working Groups as necessary) amend the final change proposals to take due account of comments received. The revised final change proposals will be submitted to the Project Steering Group for onward submission to the GB SQSS Review Group for sign-off.  
The Project Steering Group (on behalf of the GB SQSS Review Group) will then submit the final Change proposals to Ofgem.

In addition to the above, the Working Group shall:

- Prepare and maintain Working Group Risk and Assumptions Registers in accordance with the requirements set out in the Project Definition Document;
- Prepare and maintain a detailed plan covering the scope and deliverables contained within these Terms of Reference, again in accordance with the requirements set out in the Project Definition Document; and

- Liaise with other Working Groups; particularly on areas of interaction; and take due account of other reviews which are currently in progress (e.g. Transmission Access Review).

**Program:**

The Working Group detailed program should align with the overall Project Plan.

**Members:**

Provisional Working Group membership:

- Ivo Spreeuwenberg NGET Chairperson
- Peter Roper SPT
- Paul Neilson SHETL
- Predrag Djapic SEDG

**Meetings:**

The meetings for the Working Group will alternate between Scotland and England and consideration will be given to using technology to minimise travel requirements.

**Approved by:**

**Project Manager:** Andrew Hiorns

**Working Group Chairman:** Ivo Spreeuwenberg

**Date:** 14 October 2008