

# Information Note

9 May 2012

## **TRANSMISSION CAPITAL PARTNERS APPOINTED AS PREFERRED BIDDER FOR HIGH VOLTAGE LINK TO LINCS OFFSHORE WIND FARM**

Ofgem have appointed the preferred bidder for the first project in the second round of tenders (known as Transitional Round 2) to own and operate offshore links for the Lincs project. This is the second largest offshore transmission project to have reached this stage; the estimated value of the assets is £282 million.

Transmission Capital Partners (TCP), a consortium comprising of Transmission Capital Partners LP and International Public Partnerships, has been selected by Ofgem as the preferred bidder to own and operate the high voltage transmission link to the 250 MW Lincs offshore wind farm.

The TCP consortium was selected following the Invitation to Tender (ITT) process run by Ofgem in which bidders compete to become offshore transmission owners (OFTOs).

The Lincs wind farm project is owned by a consortium of Centrica, Dong Energy and Siemens Project Ventures. Lincs is the second Centrica project to reach the Preferred Bidder milestone. Dong has been involved in four of the first round one projects. Both companies worked together in a joint venture on the Barrow project which TCP financially closed in September 2011.

The whole of the first phase of the second transitional tender round will link 1.4GW of offshore wind farms with a total value for the transmission assets of £1.1bn. The other projects that are part of the first phase of the second tender round are London Array (Phase 1) and Gwynt-y-Mor.

The second tender round follows Ofgem E-Serve's first tender round which attracted almost £4 billion worth of investment appetite to own and operate £1.1 billion worth of links.

### **Notes to editors**

1. The Reserve Bidder for the project is National Grid Offshore Consortium (a consortium of National Grid Offshore Ltd, Britel Fund Trustees Ltd and Universities Superannuation Scheme Ltd).

2. A full list of the projects in the first phase of the second tender round is set out below:

<b>Project</b>	<b>MW</b>	<b>Estimated Transfer Value (£m)*</b>
Lincs	250	282
London Array	630	476
Gwynt-y-Mor	576	306

\*Final Transfer Value to be determined by Ofgem

3. The shortlisted bidders for the remaining projects in the first phase of the second transitional tender round (London Array (Phase 1) and Gwynt y Mor), are:
- Balfour Beatty Equitix consortium (a consortium of Balfour Beatty Capital Ltd and Equitix Ltd)
  - Blue Transmission (a consortium of Macquarie Capital Group Ltd, Barclays Infrastructure Funds Management Ltd and Mitsubishi Corporation)
  - National Grid Offshore Ltd (a consortium of Britel Fund Trustees Ltd and Universities Superannuation Scheme Ltd)
  - Transmission Capital Partners (a consortium of Transmission Capital Partners Ltd and International Public Partnerships Ltd).

A press release detailing their selection is available here:

<http://www.ofgem.gov.uk/Media/PressRel/Documents1/OFTO%20TR2%20shortlist%20Press%20Release28April2011.pdf>

4. Subsequent tenders will be undertaken under an enduring regulatory regime which will enable Ofgem to run transmission investment tenders that allow for either:
- Offshore Transmission Owners (OFTOs) to design, build, operate and maintain the transmission assets; or
  - Generators to build the transmission assets and then transfer the OFTOs under completion of construction.
5. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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