

CMP242: Charging arrangements for interlinked offshore transmission solutions connecting to a single onshore substation



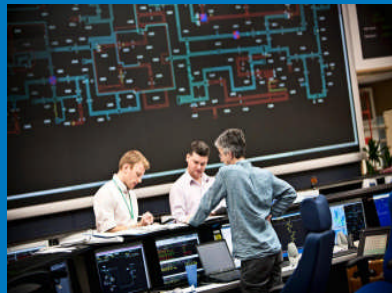
CMP242 Workgroup Meeting – 1st May 2015

Wayne Mullins

These slides represent material presented to the workgroup and not necessarily the views of the workgroup.

The views and conclusions of the workgroup are captured in the workgroup consultation report.

Safety Moment

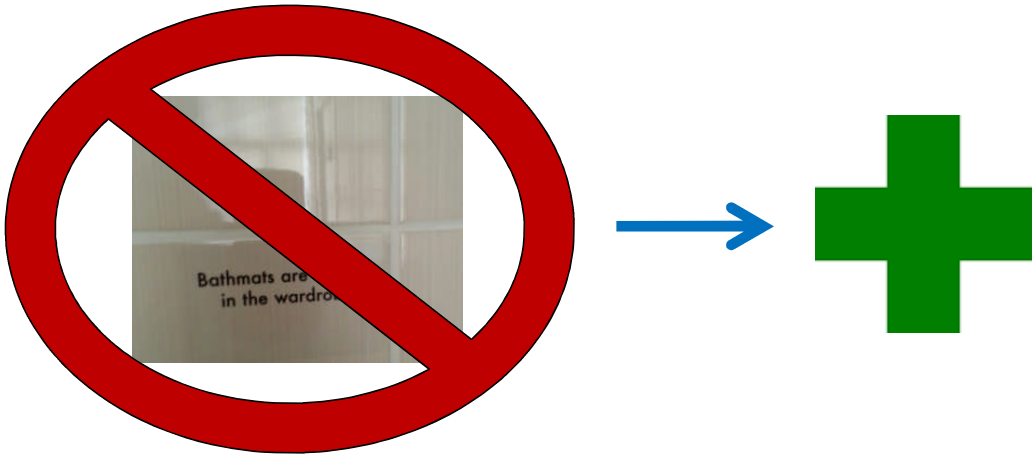


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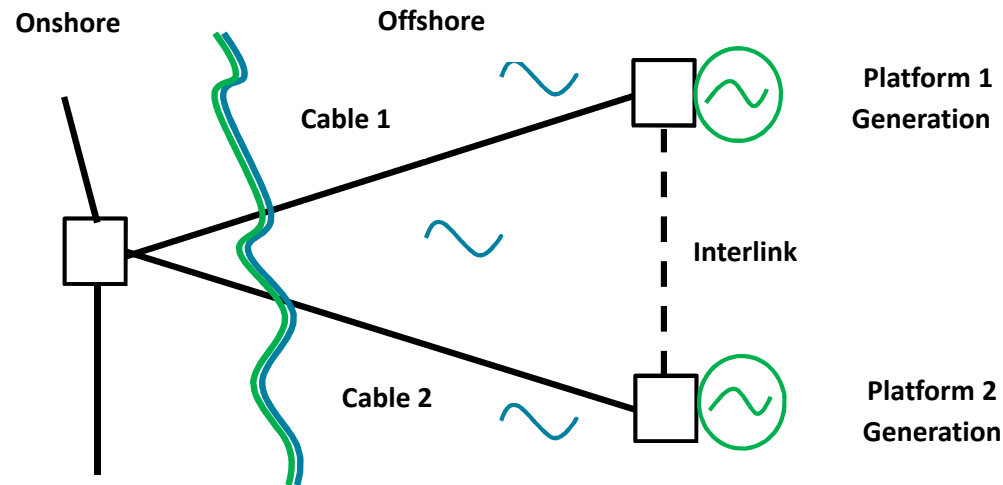
Warning Signs



Warning Signs



Background



- Multiple generators access the MITS via a single onshore substation.
- Additional transmission circuit installed between platforms.
 - Provides a level of security with the interlink being held in open standby until a circuit to shore becomes unavailable.
 - May result in no additional transmission capacity.

Summary of Defect

- Under the current charging methodology, the cost of providing the additional security would not be reflected in the local circuit charge.
 - The interlinking circuit is normally held in open stand-by.

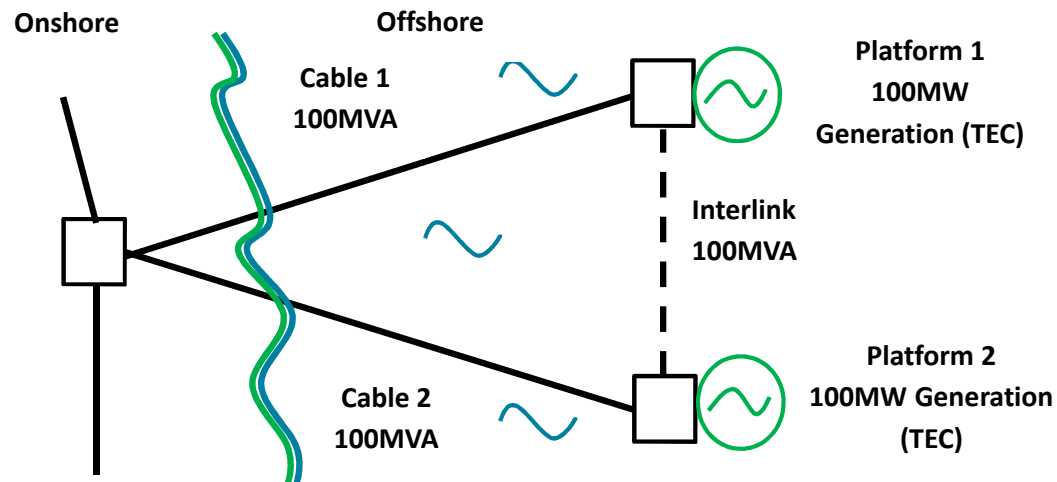
- Some offshore developers are considering developing interlinks for some of their forthcoming projects.
 - Therefore there is a need to develop an appropriate cost reflective charge for the resulting links.

Proposed CUSC Modification

- This proposal seeks to Modify the TNUoS charging methodology within Section 14 of the CUSC to ensure that:
 - Circuits that interlink platforms connecting to the same onshore substation are charged cost reflectively; and
 - Charges take account of any additional capacity that can be utilised on export cables to shore through use of such an interlink.

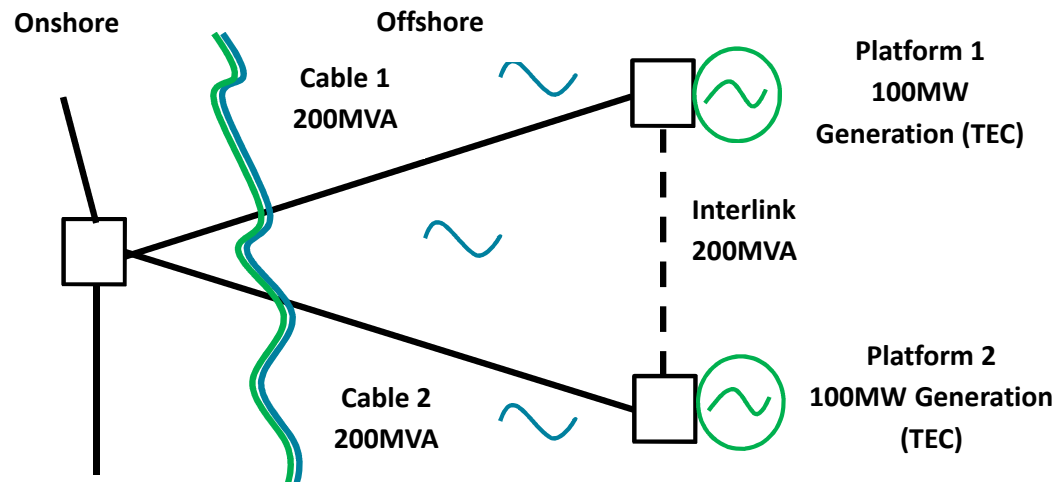
- It is proposed that the solution applies the principles shown on the following slides.

Principle 1



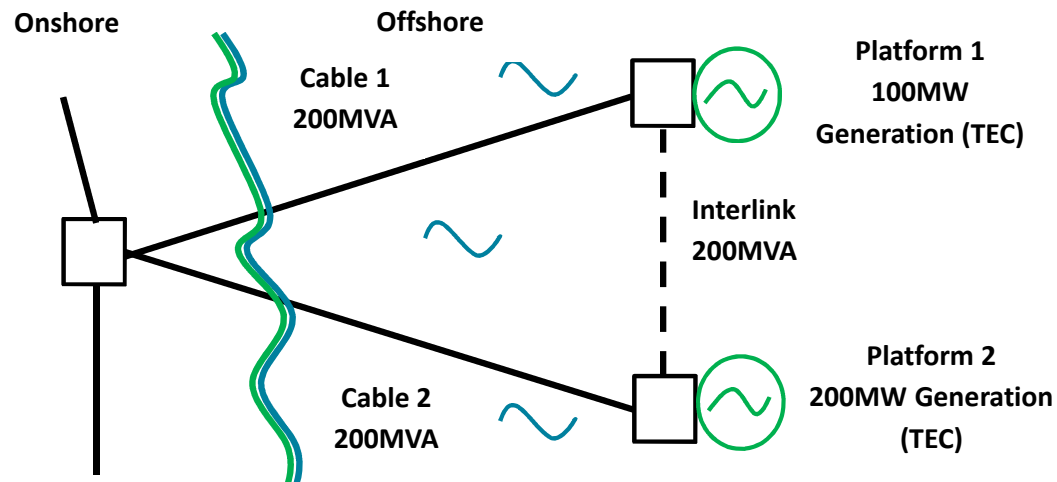
- The charge for capacity on an interlinking circuit that can be utilised by generation on both sides of the link is set such that each party pays an amount representing an equal proportion of the associated OFTO revenue.
- *What if the link is only requested by one party?*
- *How should TEC reductions be treated?*

Principle 2



- Where an interlink provides a generator with additional redundancy via the links to shore charges for this should be equivalent level to the charge offered for a double circuit radial link.
- *Treatment of scenarios where the costs/lengths to shore from each platform differ needs to be considered.*

Principle 3



- The Local circuit charge for an offshore generator should reflect additional capacity/security on export cables to shore that is made available through use of an interlinking circuit.
- *Should “non-firm” capacity provided on a link to shore also be charged for?*

Justification against Applicable CUSC Objectives

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- Ensures that the TNUoS charging methodology takes account of interlinked offshore transmission solutions.
 - Better facilitating applicable objective (c) - Taking account of transmission business developments.

- Will result in generation charges that reflect the cost of transmission assets provided as part of an interlinked solution.
 - Better facilitating applicable objective (b) – Cost reflectivity.

- As a result the OFTO revenue associated will be targeted to the generator using the interlink rather than being incorporated within the residual charge to all generation
 - Better facilitating applicable objective (a) - Competition.

Any Questions?
