

| For Guidance | Authority | 17/10/2013 | Management | Protect |

We continue our work on Offshore policy and published a consultation on the implementation of the Energy Bill in August.

**Certification** - We are reviewing positions in relation to Barclays Infrastructure Fund as a result of takeover by 3i and are engaging with DECC to review legislation in light of emerging European Commission views, to help give greater clarity and confidence to investors.

### 3 Summary Dashboard (sub Green ratings)

Activity/ Scheme	E-Serve Progress	Cost Variance	Comments
<b>Feed In Tariffs (FITs)</b>	Green →	Amber ↑	The FITs budget for 2013/14 has now been agreed with DECC however there is no contingency
<b>Warm Home Discount (WHD) Scheme</b>	Green →	Amber →	Costs are in line with allocated 2013/14 budget and any variance going forward expected to be minimal. All completed notifications approved within 28-day statutory requirement.

### 4 Offshore Transmission

Across TR1 and TR2 we have licensed eight OFTOs: Barrow, Robin Rigg, Gunfleet Sands, Ormonde, Sheringham Shoal, Walney I and Walney II and, as of 10 September, London Array (630MW, £459m). This takes total investment under the regime to over £1bn to date. Combined, the thirteen transmission projects that comprise TR1 and TR2 represent 3.9GW of offshore wind capacity and an investment value of £2.5 billion.

The Sheringham Shoal licence grant was completed in June. We currently expect to start the Greater Gabbard section 8A consultation in September. The process to close continues for Thanet, with recent interest from HMT who may be able to help with funding challenges through their infrastructure guarantee program.

There are three remaining projects in TR2:

- Lincs (270 MW, £281.6m) is in the transaction phase and negotiations are progressing between the Developer and Transmission Capital Partners. We expect to establish the FTV by September and had recent discussions on contentious items with the Developer.
- A Preferred Bidder, Balfour Beatty Equitix Consortium, has been announced for Gwynt y Môr (576MW, £346m) in July. Parties have now confirmed that the confirmatory due diligence is underway.
- For West of Duddon Sands (389MW, £296.2m) the ITT stage commenced in early September with a decision on a preferred bidder due spring 2014.

Two other projects (Westermost Rough and Humber Gateway) can now seek qualification under the enduring regime (TR3). We expect the first qualifications under the enduring regime by autumn 2013 with the tender commencing late 2013.

#### *Future Tender and Regulatory Regime*

**Offshore coordination:** We continue to develop a framework to support coordination between offshore projects and the wider network where this would help the offshore transmission system is developed in an economic and efficient way, in particular ensuring that the regime can support investment in advance of direct need where this is needed. We published a policy statement in July confirming our proposals in several key areas and plan