

W. R. Halford
SASES



28th May 2019

Dear Mr Halford,

RE: Scottish Power Renewables substations proposal

Thank you for your letter which sets out SASES' concerns in relation to the process followed, as well as the conclusions of National Grid Electricity System Operator's (NGESO) connection recommendation for Scottish Power Renewables (SPR) EA1N and EA2 windfarm projects. To respond to your letter I have sought to clarify Ofgem's role in the context of the NGESO's process for making connection recommendations under its Connection and Infrastructure Note (CION) assessment process.

Ofgem's role in the context of the NGESO's CION assessment process

The CION assessment is an industry process that is initiated when an offshore developer makes an application to the NGESO for an onshore transmission connection. The process formalises the way in which the contractual parties to the connection offer will work together to evaluate options for an onshore connection point and design. The contractual parties for the connection are the offshore developer, NGESO and the relevant transmission owner in whose licence area the connection point is to be made. It should be noted that this occurs at a relatively early point in the development of a project.

The main objective of the CION assessment is to select the preferred connection option that is the most economic and efficient design connection option for the overall benefit of the GB energy consumer. The selected connection option forms the basis of the connection offer that is issued to the developer, and importantly informs the developer's further development of their offshore windfarm project and its consenting process. After the offer is issued to the Developer, it is for the relevant transmission owner and/or the developer to obtain the relevant planning consents and to fulfil the consenting requirements, including stakeholder engagement on their proposals. A CION assessment can be re-visited if there is a material change that comes to light that could affect the preferred connection point and design. This might include changes in the expected generation, technical issues, environmental constraints, planning issues etc.

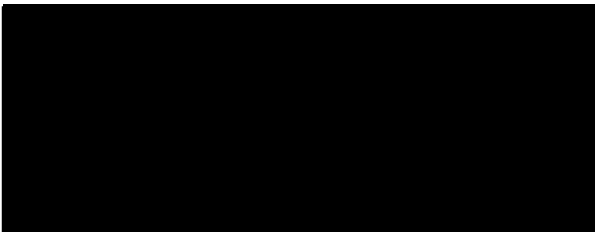
As a general rule, Ofgem does not have a role overseeing or approving the CION assessment process. In the event that the contractual parties cannot agree on the preferred connection option, the matter can be referred to Ofgem for a determination but this is the exception rather than the rule.

¹ RIIO-ET1 price control policies relating to transmission infrastructure impacts on visual amenity (enclosed)
https://www.ofgem.gov.uk/system/files/docs/2019/01/final_report_for_publication_visualamenity_stocktake.pdf

We understand that in the case of the onshore connection point for SPR's EA1N and EA2 windfarms that the CION recommendation was not location specific (other than being located within the Leiston area) and that SPR has taken forward the specific site selection for the onshore connection design, including the proposing the substation compound near Friston. We also understand that SPR is also taking responsibility for progressing the planning requirements under the Planning Act 2008 for the entire project (including the substation that will be owned and operated by National Grid Electricity Transmission (NGET) ahead of making an application to the Planning Inspectorate for a Development Consent Order. The planning requirements include conducting an environmental impact assessment and stakeholder consultation.

As noted by my colleague Frances Warburton in her previous correspondence with Chris Wheeler, a member of SASES, decisions on planning consents for new generation and associated onshore transmission infrastructure are not matters that Ofgem has a role in. We recently published a report¹ which explains our role as economic regulator in respect of the development of new transmission infrastructure project and sets out our policies in the current price control for transmission owners in relation to visual amenity issues (i.e. NGET not NGESO).

We'd encourage you to continue to engage with the developer, SPR, and the Planning Inspectorate about your view that the current siting of the proposed onshore works are not acceptable in planning terms.



Jonathan Brearley
Executive Director, Systems & Networks