



Offshore Wind Farms

EAST ANGLIA ONE NORTH

PINS Ref: EN010077

and

EAST ANGLIA TWO

PINS Ref: EN010078

**SEAS response to
ExA's RULE 17 questions on
'Powering Our Net Zero Future'
The Energy White Paper'
Deadline 4 – 13 January 2021**

SEAS (Suffolk Energy Action Solutions)

Unique Ref. No. EA1(N): 2002 4494

Unique Ref. No. EA2: 2002 4496



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DEADLINE 4 SUBMISSION

SEAS RESPONSE TO ExA's Rule 17 Questions

SEAS would like to respond to the Examining Authority's (ExA's) questions in the Rule 17 letter on the Government's recent 'Powering Our Net Zero Future: Energy White Paper' (the White Paper).

As the ExA points out in the Rule 17 letter, the White Paper allows for much improvement and coordination for Wind Farm projects in early development.

At ISH2 the Applicant (ScottishPower Renewables) and Ofgem did not believe it was possible for EA1N and EA2 to address the issues in this White Paper since according to them this Examination was too advanced to benefit from the Integrated Offshore Transmission Network Review (OTNR) and move towards more integrated solutions.

However, during the December ISH's it became quite clear that SPR had not conducted the necessary preparation to present a dDCO to PINS in 2019.

Amongst the areas clearly lacking in preparation are:

1. A rigorous assessment of the Friston site, the landfall site and the route of the cable corridor with regard to the fact that future projects are almost certainly planned to be following a similar path to EA1N and EA2 should this current Application be consented. Without the acknowledgement and full analysis of this Energy Hub a full and fair examination of the dDCO becomes impossible and PINS ability to make a considered recommendation to the Secretary of State (SoS) will be impossible.
1. A substation design consultancy will not be contracted until after consent. This is not acceptable due to the potential for as yet unforeseen factors to be included.
2. Coastal erosion, soil and other geophysical surveys at Landfall and along the cable corridor will only commence in January 2021 and complete in the latter months of the year. This will be after PINS recommendations to the SoS and after the SoS scheduled final decision.



3. The Applicant's dDCO seeks a seven-year commencement period in which time, as the ExA points out, the White Paper might be anticipated to have reached a high level of maturity or resolution.

Due to this lack of preparation, SEAS believe that the application is in the early stages of development and therefore opens up an extraordinary opportunity for EAN1 and EA2 to become a 'pathfinder project' to find a better integrated solution to bringing wind power to shore on a brownfield site using HVDC technology.

Finally, for your information we attached a letter "**BEIS and Ofgem joint response to the Open Letter engagement of 18th December 2020**" (Appendix 1) from Teresa Camey, Deputy Director, Electricity Systems, BEIS and Rebecca Barnett, Deputy Director, Commercial and Assurance, Ofgem and **SEAS reply to same** (Appendix 2).

In short, SEAS response is to point out that the community groups' views are not being taken into account and now strongly advise for them to be part of the newly formed Expert Advisory Group (EAG).

We thank you for your attention to this matter.

The SEAS Team

Unique Ref. No. EA1(N): 2002 4494

Unique Ref. No. EA2: 2002 4496

*Yes to Offshore Wind Energy,
Let's do it Right*



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Date: 18 December 2020

BEIS and Ofgem joint response to the Open Letter engagement

In July 2020, the Minister of State for Business, Energy and Clean Growth launched the Offshore Transmission Network Review (the Review) to support the Government's ambition of delivering net-zero emissions by 2050, in which offshore wind is expected to play a key role. The current approach to offshore transmission was developed when the offshore wind target was 10GW by 2030. The increased target of 40GW by 2030, as set out in Prime Minister's Ten Point Plan¹, is likely to require an alternative approach to offshore transmission. The aim of the Review is to ensure that the transmission connections for offshore wind generation are delivered in the most appropriate way, considering the increased ambition for offshore wind to achieve net zero. This will be done with a view to finding the appropriate balance between environmental, social and economic costs, whilst enabling the delivery of 40 GW by 2030.

In August 2020, the Department for Business, Energy and Industrial Strategy (BEIS) and Ofgem published a joint Open Letter², inviting stakeholders to share their views on the Review, identify perceived barriers to coordination and propose pathfinder projects. We received 48 responses from a range of stakeholders. This letter summarises the responses we received to our August 2020 publication and outlines our proposed next steps.

Key themes

We have carefully considered all the responses and have identified seven broad themes.

1. Policy, Regulation and Process

A number of stakeholders identified elements of the existing offshore regime, underlying policy frameworks and processes as significant barriers to enabling a more coordinated approach.

1.1 OFTO regime

Several respondents proposed changes to the existing OFTO regime to encourage coordination, in particular to set out a clear and fair method for the allocation of costs and risks between the developer

¹ <https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs>

² <https://www.ofgem.gov.uk/publications-and-updates/increasing-level-coordination-offshore-electricity-infrastructure-beis-and-ofgem-open-letter-developers-offshore-wind-generation-electricity-transmission-licensees-and-other-interested-parties>

and any third parties involved in the project. Stakeholders noted that the developer-led OFTO model provides control over delivery timelines which helps developers to manage the risk around delivery of infrastructure. Respondents felt that this would have to be addressed in any new framework if a third party were responsible for delivering the transmission. It has been proposed that new, codified processes for anticipatory investment should allow investment from multiple parties (e.g. onshore TOs, OFTOs or developers) and provide clarity on risk-reward balance and cost recovery.

Some stakeholders highlighted the potential for alternative commercial regimes, for example applying the 'CATO' model³ to offshore transmission.

1.2 CfD framework

Respondents also highlighted the importance of maintaining competitiveness in the CfD process where, in the case of coordinated projects, benefits secured by the first bidder may be shared with future users.

Stakeholders also noted that the relationship between the CfD regime and the Cap and Floor regime can act as a barrier to sharing infrastructure assets between offshore wind and interconnector projects. Stakeholders suggested that the Review clarifies the interaction between the two regimes in the context of multi-purpose interconnector projects (MPIs).

1.3 TNUoS Network Charging regime

A number of respondents raised concerns that the current network charging regime can be a barrier to coordination and that they would welcome a review into the existing methodology. In particular, respondents called for greater clarity and certainty on recovering anticipatory investment through local TNUoS charges. Some stakeholders also argued that the mechanism for calculating onshore transmission charges discourages investment in offshore in certain regions. Stakeholders also requested further clarity and guidance on the treatment of MPI projects under the existing charging regime. Lastly, stakeholders emphasised the importance of providing clarity on future charges to help manage the uncertainty that can hinder offshore projects' development.

1.4 Grid Code and Licensing

Respondents noted that changes may be required to the existing Grid Code and licencing regimes to specify the treatment of coordinated projects. These proposals included clarifying the interaction between OFTO and interconnector licences, Grid Code development to address the treatment of MPI assets, and the potential need for changes to the System Operator – Transmission Owner Code (STC) in the event that OFTOs need to interact with each other.

1.5 Connections processes

Some respondents raised concerns that the current connections process, specifically the Connections and Infrastructure Options Note (CION), ran by the ESO does not give sufficient consideration to coordinated options. Respondents proposed a review of the current Cost Benefit Analysis methodology alongside a more whole system view from ESO in granting connections.

Further proposals included a review of the 'connect and manage' and 'invest and connect' processes and potential application of the former to MPI projects as well as a development of a multi-purpose connection agreement suitable for connecting both MPIs and offshore wind.

1.6 Consenting process

On the consenting process several respondents highlighted the need for alignment with other competitive processes to help promote coordination, such as aligning regulatory approvals with CfD results. It was suggested that the flexibility of the consenting process could be addressed by exploring coordination and consolidation of projects post-consent. Furthermore, respondents called for the development of a consenting process for MPIs with a focus on hybrid seabed uses.

³ Competitively Appointed Transmission Owner (CATO)

2. Wider network planning and the interaction between the onshore and offshore regimes

Several respondents emphasized the need for coordinated network planning across both offshore and onshore and applying a consistent policy and regulatory framework across the whole transmission network. Ideas for more strategic spatial planning included carrying out a regular 'Offshore Networks Options Assessment (ONOA)' that would account for offshore generation in delivery of overall infrastructure as well as integrating interconnector planning into offshore planning.

3. Roles and Responsibilities

Respondents highlighted the overarching need for clarity of the roles and responsibilities of different stakeholders involved in the Review, including the ESO, BEIS and Ofgem, arguing we should work in tandem as well as facilitate inputs from a wide range of external stakeholder groups. Stakeholders also stated that Devolved Administrations should be sufficiently included throughout the Review.

4. Multi-Purpose Interconnectors (MPIs)

A number of respondents raised the topic of MPIs, arguing that the commercial and regulatory frameworks for offshore generation, transmission and interconnectors are disconnected, hindering coordinated solutions.

Stakeholders argued there are currently a number of perceived barriers to the development of MPI projects⁴. In addition to defining the treatment of MPIs in the connections process, grid code & licensing and network charging, stakeholders suggested exploring novel MPI incentive mechanisms and future proofing these against EU-exit negotiations as well as addressing EU cross-border trading rules.

In addition, a number of MPI pathfinder projects have been proposed with different European Transmission System operators (TSOs), offering an opportunity to accelerate thinking about future frameworks.

5. Environmental Considerations

Several respondents emphasised the need for the Review to clarify how environmental issues and concerns will be addressed before and after 2030. In particular, stakeholders highlighted the significant impact from projects connecting by 2030 on the coast in East Anglia, and asked the Review to address these immediate challenges, for example through a dedicated 'case study'. Beyond 2030, respondents acknowledged that as the volume of offshore generation across Great Britain increases, the potential impact on the environment will likely grow too and will need to be factored into the enduring approach. One respondent asked us to consider the role of floating offshore wind in reducing the environmental impact.

6. Asset end of life options

Respondents expressed the need for a better understanding of the costs of wind-down and end of life options for offshore assets in order to fully maximise their value. In particular, it was suggested that the Review explores the potential for lifetime extensions and how these would be supported by policy.

7. Technology and Design (including other offshore assets)

Stakeholders called for sufficient focus and funding to be dedicated to investigating and developing innovative technology in order to overcome technological and design barriers to coordination and to improve its cost-effectiveness. Stakeholders proposed we consider the use of coastal grid hubs, energy islands, bootstraps, interlinks between OFTO assets and multi-terminal transmission designs, amongst other ideas including specific technology and design solutions to facilitate MPI projects.

Several respondents also suggested that the utilisation of offshore assets could be maximised by further coordination with other types of assets such as hydrogen or CCUS and urged the Review to consider these technologies as well as different commercial models for the use of offshore generation (e.g. private wire networks supplying industrial demand such as the electrification of oil and gas platforms,

⁴ We discuss these in the relevant themes in this letter.

could reduce the reliance on the wider transmission network for a route to market for offshore generation).

Next Steps

We have reflected on these themes as we have been developing the approach to the Review, taking into consideration every suggestion made by stakeholders as part of this process. We intend to take a triple-track approach to the Review with three main workstreams plus a fourth cross-cutting workstream specifically on MPIs. We will further ensure that the themes (and specific proposals within them) that have come through from the responses to the Open Letter are considered appropriately. In many cases the themes cut across more than one of our high-level workstreams:

- Early opportunities. This workstream will look at projects that are already in relatively advanced stages of development and consider whether there are flexibilities or minor changes to regulations that could allow them to take a more coordinated approach under the current regime. This may include a different approach to anticipatory investment or specific amendments to regulations where barriers have been identified. We have been discussing with project developers to identify potential opportunities and the changes that would be needed to allow them to progress. Ofgem will then consider with a view to consulting on regulatory changes in 2021.
- Pathway to 2030. This workstream will look at projects with connections planned in the late 2020s and early 2030s. The main focus will be on projects that are not already covered by the Early Opportunities workstream. This could include projects coming through the current Crown Estate's Leasing round 4 and Crown Estate Scotland's Scotwind leasing round. The workstream will seek to ensure that transmission constraints do not present a barrier to delivery of the target to have 40GW of offshore wind by 2030. It will do this by seeking to increase central coordination and accelerate the delivery of the required onshore and offshore infrastructure. This will consider interactions between onshore and offshore transmission. It will consider how to give the onshore TOs and the Ofgem the certainty they require to make anticipatory investments onshore along with a more centralised approach to delivery of offshore transmission.
- Enduring regime. This workstream will develop a new policy framework for projects that are currently starting through the development process, i.e. projects coming through Leasing round 4 and Scotwind (with the exclusion of projects already covered by the Pathway to 2030 workstream), and for all future projects. This is likely to require changes to primary legislation and implementing legislation and changes to regulations and industry codes. We are in the process of developing high-level design options and intend to consult on proposals in 2021.
- MPIs. This workstream will seek to ensure that changes made in other workstreams are compatible with MPIs, and identify and develop additional specific legislative and regulatory changes necessary to facilitate MPIs. This will involve both tactical changes to facilitate the delivery of early opportunity MPI projects from 2027 onwards, as well as developing an enduring regime for effective delivery of projects further in the future. We will ensure that the outcomes from Ofgem's ongoing interconnector policy review are fully captured and explored in this workstream.

We held a stakeholder webinar on the 17th December updating on our plans for the Review and setting out more detail of the workstreams. The materials from this event are available on the Review website at:

<https://www.gov.uk/government/groups/offshore-transmission-network-review#terms-of-reference>

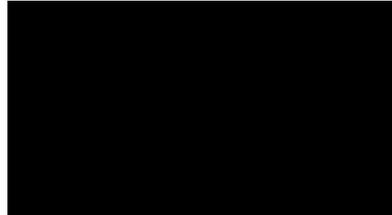
Following on from this, we intend to set out future engagement opportunities in due course. We have recently established an Expert Advisory Group to provide early and ongoing challenge and expert input into the Review. This includes representatives from industry, independent experts, academia and consumer and environmental groups. However, we remain open to hearing from all stakeholders

throughout the Review. If you have any questions about this letter, or if you wish to discuss the detail of the content noted above, please contact Offshore.Coordination@ofgem.gov.uk and Offshore.Coordination@beis.gov.uk.

Yours faithfully,



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Deputy Director
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By Email: 11 January 2021

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sea
*a threat hanging over
coastal suffolk*

Dear Teresa Camey and Rebecca Barnett

BEIS and Ofgem joint response to the Open Letter engagement

Further to your letter of 18 December, BEIS and Ofgem joint response to the Open Letter engagement, we would like to thank you for setting out the seven broad themes articulated by stakeholders in their feedback to BEIS and Ofgem.

I am writing on behalf of a coastal Suffolk community group called Suffolk Energy Action Solutions (SEAS). We submitted our written suggestions for your consideration. I expect that of the total 48 responses received by you, many of them came from Norfolk and Suffolk community groups, as we are the most affected region.

We have at all times tried to be constructive and forward-looking. Most of our members are keen to encourage more strategic and coordinated thinking on the part of UK plc. Sadly, wind energy onshore infrastructure has been one of the sectors that has not kept pace with technology advances and it is now time to make a step change. There is no disagreement about the wish to accelerate the move to new integrated solutions and halt the radial point-to-point systems, which are not efficient or responsible in terms of their damage to the environment and disruption to communities and to rural way of life.

We have already shared our views with you and there is no need to repeat.

Having participated in the 17 December BEIS stakeholder webinar and studied the themes detailed in this Letter and having read the National Grid ESO Report published on 16 December, together with attending their Q&A session in the afternoon of 17 December, I believe that our views are yet to be fully acknowledged. A consultation process can as you know, be limiting and superficial or inclusive and in-depth.

We have some reassurance that BEIS and Ofgem are hearing the views of local community groups, because I recognise some of the seven themes, which are presented. Our suggestion is that the Expert Advisory Group (EAG) is an excellent initiative and one that we proposed, using the word “Specialist” rather than “Expert”, as this is such a devalued title nowadays.

We were denied the names of those on the Suffolk Energy Coast Delivery Board and now we are not being given the names of those on your EAG. Key documents produced by National Grid on site selection have been redacted and National Grid has failed to turn up to the PINS Examinations



for EA1N and EA2 and to answer questions about the cumulative adverse impacts caused by 12-15 years of construction in a tiny area of unspoilt coastal Suffolk.

a threat hanging over coastal suffolk

National Grid appears remiss in not sharing its plans for the largest MegaHub in Europe to be sited at the medieval village of Friston. Our conclusion is that Ofgem, BEIS, National Grid all lack transparency and their behaviour only leads us to believe that there is a blurring of roles and historic failures to develop a strategic plan for offshore and onshore infrastructure. Their seeming inability to implement a more intelligent and coordinated infrastructure solution should not mean that coastal Suffolk and other communities in Norfolk are the helpless victims of their collective failures. I am sure that we are not the first to make these criticisms. There is a huge sense of frustration amongst local communities.

There are better solutions for 2027 onwards if implementation starts by 2025 and we are therefore offering our time and input to your EAG as we suggest that members from constructive and collaborative community groups as well as consumer groups should be involved. We have given up years of our lives (and money) to understand better the advances in HVDC technology, Modular Offshore Grids and even though we are not engineering professionals, we do have former engineers, ecologists, farmers, representatives from the tourism sector, the hospitality sector and from Parish councils, amongst our group membership. We are all enthusiastic supporters of green energy, provided it is delivered in the right way.

The decisions around site locations for the largest infrastructure hubs should be assessed taking into account more than the CION criteria. We all know that the current criteria are limiting and outdated given the commitment to protecting the countryside. There is no gain without some pain. At the same time, we all have a duty to future generations to avoid needless destruction. By creating a MegaHub five miles from a thriving tourism destination, with Thorpeness, Minsmere and Aldeburgh impacted and vandalising unspoilt countryside including AONB and SSSI, a group of observers with no agenda would say that this is a tragedy.

Tragedy is an event causing great suffering, destruction and distress. I can assure you that I have witnessed in the last 18 months communities suffering and distressed with a huge cloud hanging over their heads. It has made people ill and some have suffered strokes and panic attacks. Some people chose to live in a rural community far away from the madding crowd and now they are having nightmares about the loss of their paradise. The prospect of looming steel towers, tarmac and concrete and 12-15 years of construction noise, dust, light and air pollution is frightful. The tourism industry in this part of the UK is dependent on nature and tranquillity. Visitors come here to find the antidote to their urban existence. They come here precisely because it is not developed. The only upshot from SPR's proposals to decimate hundreds of acres of countryside is that tourists and visitors will stay away when they can find what they're looking for elsewhere. Surely, no one could be so foolish?

The BEIS Review gives us hope, so long as it is not a sham, not window-dressing. We believe that with advanced HVDC technology and a new integrated approach, there is, to quote BEIS terminology, an Early Opportunity and Pathway alternative to these ill-conceived plans by using a brownfield site elsewhere, instead of Friston.



We would like to be represented at your EAG in order to present a new Cost/Benefit Analysis Method, which factors in the exponential gain or loss from adverse impacts on communities, the environment and the local economy.

a threat hanging over coastal suffolk

We would like to challenge the conflation of regions and energy projects in the economic analyses, which are carried out by the current PR groups for EEERG and others. We are delighted that Lowestoft will benefit from new energy investment but that should not be at the expense of the wider coastal region.

If the alternative solutions cost a little more in the set-up, these can be offset by the efficiencies gained in the mid-to long-term and by the sparing of the environment and the safeguarding of the Aldeburgh, Thorpeness, Snape and Southwold tourism sectors, which are the main revenue stream for this part of the coastal Suffolk region.

If ScottishPower and National Grid are not currently incentivised to make these innovative changes, those motivational drivers can be addressed by BEIS in order to gain a unified vision and focus on building back faster, better and greener.

To quote from your document, the Early opportunities work stream will “look at projects that are already in relatively advanced stages of development and consider whether there are flexibilities or minor changes to regulations that could allow them to take a more coordinated approach under the current regime”.

We believe that we have a realistic alternative solution. Specialist engineering companies such as Elia and Tennet did talk to us and give verbal guidance, despite being conflicted by their work with National Grid. It is hard to obtain any specialist engineer advice given that National Grid has tied up every adviser in the UK! We are confident that there are better solutions that should be on the table now.

The speed at which the country has been mobilised to deal with the pandemic shows us that we can all be mobilised to work together for better solutions. This is a potential crisis moment. Bad plans lead to bad decisions lead to bad outcomes.

Good plans lead to good designs lead to good outcomes. We can make this step change together. Please involve us. We are serious, thoughtful and positive forward-looking thinkers. This is a time for transparency, openness and true collaboration, not a time for marketing rhetoric and obfuscation.

Yours sincerely

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