



Department for Business, Energy, and Industrial
Strategy
Abbey 1, 3rd Floor
1 Victoria Street
London
SW1H 0ET

offshore.coordination@beis.gov.uk

Enquiries to: Phil Watson – SCC Strategic
Energy Projects Manager/Grahame Stuteley –
ESC Senior Energy Projects Officer

Email: Phil.watson@suffolk.gov.uk
Grahame.stuteley@eastsuffolk.gov.uk

Your Ref: Enduring Regime Consultation
Date: 22 November 2021

Dear Sir/Madam,

A joint response from Suffolk County Council and East Suffolk Council to the BEIS Offshore Transmission Network Review consultation on proposals for an enduring regime and multi-purpose interconnectors (28 September – 23 November 2021)

Suffolk County Council (SCC) and East Suffolk Council (ESC) (hereafter referred to as 'the Councils') welcome the opportunity to respond to this consultation in relation to a new enduring regime for windfarm development and offshore transmission.

Summary of the response

- The strategic approach and Holistic Network Design suggested in the consultation are essential to achieve effective coordination.
- The Future System Operator (FSO) would be best placed to be the lead organisation for the governance of a Strategic Plan.
- A robust and credible process for both the development and regular review of the Strategic Plan, to establish and maintain public confidence, must be identified and provided. This is also important for the Generation Map, which will inform the holistic design. Furthermore, the plan must be able to flex in response to changing circumstances.
- The Councils recognise that in addition to providing strategic planning and design, the enduring regime must provide value for money and foster competition, both in terms of cost *and* innovation, whilst delivering coordination.

- It is noted that one of the options in the consultation states that, *“It may be appropriate to change the planning policy and marine licencing regime to reduce the risk of rejection for infrastructure that is covered by the strategic plan”*. The Councils consider that, notwithstanding the proposed, *“robust assessment and mitigation of environmental impacts”*, it would be very challenging to change planning policy to *“reduce the risk of rejection”*, whilst simultaneously winning the confidence of both the public, and many consultees.
- It is essential to ensure that the further development of the OTNR, including the HND and Strategic Plan, has stakeholder and public confidence. The Councils consider that without greater public confidence in delivery of generation and network infrastructure, social permission for the necessary changes to adapt to, and mitigate the impacts of climate change, may be undermined.
- A demonstrably coordinated approach both on and offshore, and a visible Strategic Plan would significantly improve public confidence. Furthermore, such an approach would give greater certainty and visibility to a project pipeline, this would increase local supply chain confidence and the confidence of training providers to deliver the necessary skills into the workforce.

The Councils support an enduring regime, which moves towards a more strategic and coordinated approach to the offshore wind network and its onshore connection requirements, in the lead up to the 2030 targets, and the achievement of net zero by 2050. Furthermore, they welcome the benefits this is expected to bring for our local communities, businesses, and local employment contributing towards continued growth within our region but protecting our rural and economically valuable tourist areas.

However, we wish to reiterate the importance of minimising adverse impacts on the environment and local communities, who are set to shoulder a large proportion of the onshore infrastructure required to facilitate a coordinated network.

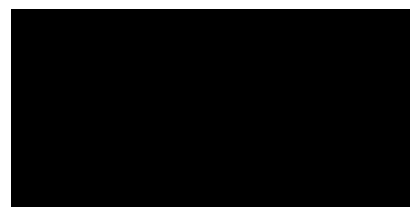
We note that this consultation seeks views on the high-level approach which will lead to future consultation on more detailed proposals. As requested, the detailed response to the consultation questions is set out in Appendix A. The Councils have considered Questions 12, 13 and 14 in relation to facilitating MPIs, however do not wish to comment on these matters.

We hope that the Councils’ contribution is helpful and look forward to hearing from you further as the OTNR progresses. We are keen to continue our engagement and participation in the process, and request that we are kept updated on future reports and the outcomes of the OTNR.

Yours Sincerely,



Richard Rout
Cabinet Member for Environment and
Deputy Leader of Suffolk County Council



Craig Rivett
Cabinet Member for Economic Development and
Deputy Leader of East Suffolk Council

Appendix A

1 We think that a more strategic approach to the planning and development of offshore wind is needed to achieve the Review's objectives. Do you agree? Please explain your answer.

A more strategic approach to the planning and development of offshore wind, that encompasses the whole chain of transmission, and facilitates and drives high levels of coordination, for the connection of offshore wind infrastructure, both offshore and onshore, is the appropriate approach to take.

Offshore, strategic planning will ensure that the limited areas of seabed for windfarms, and for the cables to connect them, are effectively utilised. Furthermore, strategic planning will enhance the coordination of offshore wind, undertaken by the Crown Estate and Marine Management Organisation (MMO), with competing priorities for use of the seabed, such as, navigation, fishing, and protection of ecosystems.

Likewise onshore, strategic planning will ensure that the limited number of locations at which cables can make landfall, will not be rapidly exhausted, by uncoordinated multiple radial connections. Furthermore, a coordinated approach to offshore generation, and connections to the onshore transmission network, will reduce both the amount and extent of onshore transmission infrastructure. This will both reduce impacts on communities and the environment, whilst reducing the extent to which additional onshore transmission infrastructure is required to facilitate Net Zero by 2050.

The Councils recognise however, that significant new connection and transmission infrastructure will be needed to reach Net Zero, and the interim targets, in respect of offshore wind and interconnection. The impacts of this new infrastructure on the environment and communities will need to be robustly addressed.

In addition to these tangible cost and environmental benefits, identified by National Grid ESO in their report of December 2020¹ and Crown Estate in April 2021², the Councils consider that a strategic approach to the planning and coordination of offshore wind would have wider benefits. It would help to restore public confidence in the planning and delivery of Net Zero generation and transmission infrastructure, that has been significantly undermined by the current uncoordinated approach. The Councils consider that without greater public confidence in delivery of this infrastructure, social permission for the necessary changes to adapt to, and mitigate the impacts of climate change, may be undermined.

2. If you agree, do you have any views about the scope of the strategic plan? For example, should it cover generation or be limited to transmission?

Large or very large projects that are connecting to the electricity transmission, rather than distribution network, have such a scale and complexity, that they have long lead times and tend to change the shape of the transmission network, both on, and offshore. Therefore, it would be appropriate to include them in a Strategic Plan. However, this should not constrain suitable opportunities for windfall projects to be added to the network, in addition to those included in any plan, given the need to reach Net Zero and the need to do this using a flexible, dynamic, and adaptive energy system that fosters innovation. Particularly

¹ <https://www.nationalgrideso.com/news/final-phase-1-report-our-offshore-coordination-project>

² <https://www.thecrownestate.co.uk/media/3801/east-coast-grid-spatial-study-summary-report.pdf>

considering the ambition set out by the Secretary of State, in October 2021, to fully decarbonise the Electricity Grid by 2035³.

3. What governance arrangements would be appropriate for a strategic plan? For example, who should be the lead organisation, and what roles and responsibilities would other partner organisations have?

It is anticipated that the Future System Operator (FSO) would be best placed to be the lead organisation for the governance of a Strategic Plan. The FSO would build on the ESO's relationships with energy market participants and broaden these to include new stakeholders, given that the spatial extent of planning would extend, to the offshore realm. Therefore, close, and effective working with the Crown Estate in particular, and other key offshore stakeholders involved in marine planning, exploitation of resources, shipping, and environmental protection, would be essential in making such a Strategic Plan.

This would be a significant change, in comparison with the more limited scope of participation and collaboration currently undertaken by the National Grid ESO. Therefore, this work would need to engage with the consequent environmental issues at the plan making, rather than project stage. Such an approach would be consistent with the findings of Ofgem's recent, *Review of GB energy system operation*⁴, published in January this year.

4. How should stakeholders be consulted during the development of a strategic plan?

The development of the initial Strategic Plan, *and*, its associated methodologies and processes, would be likely to require a robust and effective process of consultation, akin to that which has been used during the ongoing development of the ESO Offshore Coordination project and the wider OTNR. This is essential to ensure that stakeholder and public confidence, in both the process and outcomes, are established. Especially for the initial Strategic Plan there needs to be some form of Statement of Community Involvement (SCI) scoping out those organisations; local authorities; and community groups who need to be consulted on the Strategic Plan. In addition, the SCI should also scope how this engagement is best undertaken for the various organisations, for example through regular briefing; workshops; online meetings etc. However, the development of future iterations of the Strategic Plan could be a more streamlined and cyclical process, akin to that used by the current ESO to create the Network Options Assessment (NOA).

5. What time-period should be covered by a strategic plan and how frequently do you think it should be updated?

Based on the operation of the Network Options Assessment to date, it appears likely that the Strategic Plan may require a full review at least every 5 years. Such an approach could be made to align with the periodic review of the Carbon Budget⁵. It is also likely that the Strategic Plan will incorporate various components which are not currently integrated. Strategic Plan review periods should therefore allow for the alignment of these components. Additionally, it may also require an annual review to take account of changes to the network, driven both by windfall projects and other emerging opportunities and constraints. Therefore, the Strategic Plan needs to be able to be updated in a timely manner to changing circumstances to prevent the document becoming out of date and ineffective.

³ <https://www.gov.uk/government/news/plans-unveiled-to-decarbonise-uk-power-system-by-2035>

⁴ [Review of GB energy system operation](#) January 2021

⁵ <https://www.gov.uk/guidance/carbon-budgets>

6. We think that there is a need for a Holistic Network Design that plans offshore transmission for the long-term as an integrated part of a transmission network. Do you agree? Please explain your answer

A Holistic Network Design is essential, to underpin the detailed design work that is required to create a coordinated offshore, and onshore, transmission system.

7. If you agree, do you think a Holistic Network design should also include onshore transmission?

The Councils consider that it is essential, that a Holistic Network Design encompasses both the onshore and offshore network.

8. Who do you think is best placed to undertake a Holistic Network design? Please explain your answer.

Based on experience to date, and on both the proposals in the Future System Operator Consultation,⁶ and the findings of the Review of GB energy system operation, the Future System Operator (FSO) would be best placed to undertake the HND, in close collaboration with the relevant stakeholders.

In addition, it is important that the HND is based upon up-to-date information. For this reason, the Generation Map which feeds into the design needs to be kept up to date through a regular review process, as this could easily become out of date due to changes to the location, capacity and completion dates for projects.

9. Which delivery model would provide the appropriate balance of incentives and cost savings given the Review Assessment Criteria (Annex 4)? Please explain your answer

The Councils recognise that in addition to providing strategic planning and design, the enduring regime must provide value for money and foster competition, both in terms of cost and innovation, whilst delivering coordination. However, it appears likely that only very early (option 5) or very late (OFTO) (option 7) competition models would achieve this, whilst simultaneously ensuring the necessary continuity between consenting and construction. In summary, competition should take place before or after what the consultation identifies as the “*risky stages*”. If innovation is to be encouraged, very early competition set out in option 5 is to be preferred.

10. At what stage should the detailed design and construction of transmission be conducted? Please be clear about which approach your comments relate to.

Both option 5 and option 7 would allow the detailed design, consenting and construction of transmission infrastructure to be conducted separately from any competitive processes, and for that design to be developed in consultation with statutory and non-statutory consultees.

11. Do you have any views on the relative merits of these high-level approaches?

1. Incremental change

The Councils consider that whilst incremental change is an important and useful approach in the development of the earlier workstreams, an incremental approach to the development of coordination both on and offshore for the enduring regime, is not sufficient and robust, given the amount of infrastructure that is required and the short period of time over which it must be delivered. Furthermore, such an approach is less likely to command wider public support than the development of coordination through strategic planning, and holistic design, would be able to garner.

⁶ <https://www.gov.uk/government/consultations/proposals-for-a-future-system-operator-role>

2a. Holistic network design and delivery

The Councils consider that this approach is preferable to the incremental change approach, as it appears to foster greater coordination between offshore and onshore transmission and the HND sets out clear parameters. Whilst this would not require a Strategic Plan the Councils do consider this would be beneficial to, as the consultation suggests, *“consider further time-horizons”* furthermore, they agree that *“This would reduce the risks of anticipatory investment to allow the network design to be conducted with greater confidence that the generation would be forthcoming in the areas expected”*

A demonstrably coordinated approach both on and offshore, and a visible Strategic Plan would significantly improve public confidence. Furthermore, such an approach would give greater certainty and visibility to a project pipeline, this would increase local supply chain confidence and the confidence of training providers to provide the necessary skills into the workforce.

It is noted that the consultation states that “It may be appropriate to change the planning policy and marine licencing regime to reduce the risk of rejection for infrastructure that is covered by the strategic plan”. However, notwithstanding the proposed “robust assessment and mitigation of environmental impacts”, changes to planning policy to *“reduce the risk of rejection”*, would need to have the confidence of both consultees and the public.

2b. Holistic network design with combined seabed lease and financial support

The consultation proposes that planning permission for the seabed lease could be, “ready granted” with CfD. If such an approach was to be developed it is essential that terrestrial Planning Authorities, such as East Suffolk Council, are part of that process. Furthermore, on that basis, offshore wind projects would have to go through two planning consents, and if the second consent failed, a stranded asset, for both the Crown Estate and the developer, would be the potential result.

Therefore, the Councils consider that the first option proposed in the consultation, of seeking planning approvals after the award of Contract for Difference (CfD), is likely to be appropriate. The Councils agree that the adjustments to CfD, such as to, “reduce the non-delivery penalty or include new flexibilities for delivery dates to account for the greater uncertainty”, may be the appropriate way forward.