

Email to: Thomas Johns RIIOElectricityTransmission@ofgem.gov.uk

23rd June 2021

Dear Thomas,

Eastern HVDC - Consultation on the project's Initial Needs Case and initial thinking on its suitability for competition

EDF is the UK's largest producer of low carbon electricity. We operate low carbon nuclear power stations and are building the first of a new generation of nuclear plants. We also have a large and growing portfolio of renewable generation, including onshore and offshore wind, as well as coal and gas stations and energy storage. We have around five million electricity and gas customer accounts, including residential and business users. EDF is committed to building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

In this letter, we are responding to the ESO's consultation on the initial needs case for the Eastern HVDC project, comprised of an initial 2 links each of 2 GW, with a following need, highlighted in the Network Options Assessment work, for two more from 2031.

We agree that there is evidence of a clear consumer benefit in the EHVDC project progressing. Analysis from the Electricity System Operator (ESO) has suggested that delays in delivering the links could cause consumer detriment of over £600m per year. The need is unlikely to be reduced by the physical outcomes of the Offshore Transmission Network Review, but any developments in that area can be taken account of in the final needs case assessment. However, the Offshore Transmission Network Review should categorically not be a cause of delay for the commencement of the Eastern Link project. This is a case of unblocking a clear need now; it is not a case of anticipatory investment.

We note that under all four FES scenarios, the latest NOA¹ finds that the first two links, from Torness to Hawthorn Pit and from Peterhead to Drax, become valid investments for operation from 2027 and 2029 respectively. The next two, code names E4L5 and TGDC, connecting to the South Humber area, are shown as likely to be valid from 2031. FES envisages substantial increases in Scottish wind capacity, much but not all of it offshore.

We note that the West Coast HVDC link was very late commissioning, and had a number of early availability issues even when it did commission; if there is a risk of the Eastern Link Project being delivered late, that makes approval and commencement of build all the more pressing, along with good delivery and availability incentives, and transparency of availability (and MW level) of the critical asset once built.

We do agree that the project as a whole will be new, separable, and high value, and therefore perfectly meets the criteria for late model competition. If the necessary legislation (CATO) isn't ready in time for the final needs case decision, this should not lead to delay.

¹ <https://www.nationalgrideso.com/document/185881/download>

Should you wish to discuss any of the issues raised in our response or have any queries, please contact me on XXXXXXXXXXXX.

Yours sincerely

Paul Mott

Senior Adviser – Electricity Market Arrangements