

Main Response

Question 8: We consider that a holistic design will result in a more coordinated, economic and efficient network. Do you agree? Please give reasons for your answer.

Morwind Ltd is a South West-based developer of floating offshore wind farms in the south west seas of the UK. It has initiated a portfolio of projects including a 98MW test and demonstration scheme, a 300MW pre-commercial project and a series of larger multi-GW projects. Morwind's philosophy is to develop regional partnerships with both the public and private sectors in order to maximise the potential economic and social benefits from its projects.

Larger projects will be realised beyond 2030 and are likely to become part of the Enduring Regime but smaller, sub-300 MW projects are scheduled to be generating before this date. Morwind intends to respond to the imminent consultation on the Enduring Regime and this preliminary response is to express support for a strategic and holistic approach to offshore and onshore transmission network development arising from offshore wind generation in the South West seas. We also believe that time is of the essence in planning for such developments in order to minimise the risks of congestion and delays in the years to come.

There is significant opportunity for floating offshore wind in the Celtic Sea with low-, medium- and high-level predictions assuming 50 GW, 75 GW and 120 GW of installed FOW capacity by 2050 [OREC *Floating Offshore Wind Constraint Mapping in the Celtic Sea: July 2020*]. The South West seas around South Wales and the South West peninsula are predicted to contribute heavily to these figures. However, in addition to the significant challenges of developing large-scale offshore wind farms safely and competitively, and with due regard to environmental and human interests, the South West peninsula is constrained onshore in notable ways. Firstly, opportunities for cable landfalls are limited by physical geography, sensitive landscapes and, on the English Channel coast by MOD danger areas; secondly there is limited spare capacity on the South West transmission circuit; thirdly there are transmission pinch points beyond the immediate confines of the peninsula between the south west and south Wales and along the south coast north of Southampton.

None of these challenges should inhibit realisation of the opportunity for the south west and for the UK in making full use of the extent of the Exclusive Economic Zone in the South West but they focus attention on the need to take a proactive approach to network development at an early stage. There are examples in other parts of the UK where this has not happened with severe consequential delays on project timelines.

We consider that it should be possible to develop consensus amongst interested parties of scenarios for timescales of floating offshore wind farm development volumes and broad locations. This will allow ideas to be brought forward as to how such volumes should be best connected to load centres. We would expect that the ideas will include MPIs to neighbouring countries and transmission links to locations within the UK which help to bypass long term pinch points.

Responses to selected other questions in the Consultation

Question 2: Should anticipatory investment risk be shared with consumers? If it should, what level of risk is it appropriate for consumers to bear?

Morwind Ltd considers that anticipatory investment risk for new transmission infrastructure must be shared with consumers to facilitate a coordinated and integrated approach to new offshore transmission. This is ultimately in the consumers' best interests.

Question 5: To what extent do you agree with our proposals to remove barriers to the Early Opportunity concepts? Please explain your answer.

Morwind Ltd agrees that consumers must take more risk to facilitate anticipatory investment. We also consider that Ofgem must provide 'gateway assessments' and approvals of proposed anticipatory investments such that those undertaking them can be sure of cost recovery. The proposals outlined in the consultation regarding User Commitment and TNUoS in relation to consumer risk are however not clear. We would expect that the arrangements implemented will be carried through into the 2030 projects and the enduring regime, albeit with some amendments and further developments.