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**Your ref:** OFG1161  
**Our ref:** OTNR / Ofgem Sept 21  
**Date:** 8 September 2021  
**Please ask for:** Philip Ridley  
**Customer Services:** 0333 016 2000



Dear Mr. Copeland

**Re: Consultation on changes intended to bring about greater coordination in the development of offshore energy networks (14 July 2021 – 8 September 2021)**

East Suffolk Council (ESC) acknowledges that this consultation is primarily aimed at developers who are embarking on the coordination of projects both now and in the future. The New Anglia Local Enterprise Partnership, Norfolk County Council and Suffolk County Council will be providing their own joint response as part of this consultation process and ESC wishes to confirm that we also share the coordinated views expressed in that response.

The Suffolk coastline is gaining a reputation as the 'Energy Coast' which is not welcomed by all, but we acknowledge that alongside other sources of electricity generation and transmission infrastructure, it is envisaged that our region will accommodate more offshore wind than any other coastline within the UK by the end of this decade. ESC is therefore set to play a central role in the achievement of the UK Government's ambitious 40GW target for offshore wind energy generation by 2030, leading to net zero by 2050.

As highlighted in our previous joint consultation response with Suffolk County Council for the Offshore Coordination Project Consultation (October 2020), we acknowledge the clear benefits expected from the coordination of offshore connections for both local communities, the environment and for capital and operational costs for developers and consumers. For the current consultation, we note that this moves from a developer-led and incremental model of offshore network development to a more centrally planned and coordinated approach which is welcomed, and something ESC has been advocating for.

ESC has reviewed the consultation materials in relation to the three Offshore Transmission Network Review (OTNR) workstreams, namely 1. Early Opportunities, 2. Pathways to 2030, and 3. Multi-Purpose Interconnectors (MPIs), and provides the following feedback for your consideration.

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ESC welcomes greater coordination in the development of offshore energy networks, acknowledging the potentially significant opportunities this presents for the economy of Suffolk, as well as the expected technological advances this will bring to the energy sector. However, ESC understands the many challenges currently facing the sector through the existing connection regime, as well as the uncertainties a new enduring regime presents for developers and financial backers during its design and implementation in the lead up to achieving greater coordination for connections between projects.

This presents both technological and regulatory challenges which need to be resolved as part of the process, making early and decisive action an important component within this process. ESC understands that the current radial transmission link regime for the connection of offshore wind generation is not likely to be economically and environmentally acceptable for many areas and if there is no change to the existing regime, this may hinder the achievement of Government targets, effectively acting as a barrier for the delivery of offshore wind farm development.

A coordinated network approach would present economic, social and environmental benefits for Suffolk, in particular East Suffolk, having the potential to save UK consumers approximately £6 billion in capital and operating expenditure by 2050. In addition, it presents opportunities for both local and national supply chains to expand, having a positive economic effect for our region, whilst reducing the potential environmental impacts offshore and onshore. As highlighted in the previous OTNR consultation, a forecast 50% reduction in the requirement for new electricity infrastructure both offshore and onshore is a significant saving. This would mean that local communities in our region require fewer onshore connection points for offshore wind. However, it must be acknowledged that electricity generated offshore needs to connect to the Grid and be part of the onshore network, so an offshore network transmission system is not the panacea to East Suffolk's existing problems if the electricity is to be brought onshore in our region. This needs to be considered holistically.

A coordinated network approach would potentially reduce the spread of environmental impacts across our district. Tourism is a vitally important industry in East Suffolk, with numerous popular holiday locations being located along our coastline. A reduction in the need for onshore infrastructure will help to support our visitor economy which is even more important following the direct impacts introduced by the COVID-19 pandemic.

## **Workstream 1 - Early Opportunities**

This workstream seeks to identify barriers facing the industry in progressing early opportunity projects and possible ways to overcome them. It aims to make changes to the existing regulatory framework to facilitate greater coordination between projects with one of the biggest barriers identified to coordination being the risk in relation to anticipatory investment. ESC notes that the consultation looks at sharing anticipatory investment by involving consumers and developers to

share the costs so that the financial burden does not all fall to the first project developers only. ESC supports this approach and the aim to increase the ability of projects to coordinate and to realise the benefits of coordination. Coordination on this basis would help to de-risk projects financially, providing greater investor confidence and helping projects reach commercial operation on schedule. It is however important that a financial mechanism is provided which ensures that the burden of anticipatory investment is deliverable for all parties, including developers and consumers.

Projects at an advanced stage within the development process in the East Suffolk area may present various challenges, however, could also provide the platform required to explore early opportunities to facilitate greater coordination. Coordination could lead to positive effects such as reduced impacts on communities, the environment and local businesses as well as introducing additional opportunities such as Green Hydrogen, which has significant potential for future integration within the wider network. ESC recognises that discussions between the regulator, BEIS and developers are ongoing in relation to pathfinder projects, seeking for these to become more ambitious and incorporating greater levels of coordination between projects. It will be helpful to understand the extent of promoter participation in this region at the earliest opportunity.

It is understood there is also likely to be a balance to be struck within this workstream regarding maximising opportunities for coordination amongst pathfinder projects, whilst also securing the timely delivery of developments in order that their contribution towards Government offshore wind energy targets is realised. It is possible that greater coordination could potentially delay the delivery of pathfinder projects, especially in the early stages of this workstream, which could in turn have a knock-on effect for investor confidence. This will therefore require careful planning with efforts being made not to disrupt the post-pandemic economic recovery with the wider region. However, although challenging, ESC considers that a more strategic and collaborative approach will reduce the identified risks and limit any further uncertainties.

In addition, paragraph 2.64 states that *‘Developers are working with the ESO to understand where the detailed barriers exist in codes and standards and consequentially where modifications are likely to be required’*. ESC agrees that the industry and Electricity Systems Operator (ESO) are best placed to develop and propose modifications within this workstream, noting that developers have the best view of what is required to facilitate individual concepts and that the ESO understand the changes that will be necessary.

## **Workstream 2 - Pathways to 2030**

Workstream 2 considers different models for the delivery of infrastructure which includes the traditional developer-led model. It seeks to capture the current Round 4 projects and proposes the production of a generation map to illustrate the potential offshore development over the next ten years. This would combine the location of offshore projects with their connection dates helping to facilitate a greater level of coordination between projects. It also recommends that a Holistic

Network Design is developed and delivered by National Grid ESO which could result in a more coordinated and economic and efficient network which is supported by a Detailed Network Design onshore. This would be developed by the Transmission Operators, requiring a greater degree of consideration for the onshore/offshore interface than previously. ESC supports the development of a regulatory framework which allows for an optimum engineering solution to connect 40GW of offshore wind to the system by 2030. The pathway to 2030 workstream will be necessary to realise the substantive benefits to be gained from greater coordination in the medium-term period. This is of relevance to offshore wind energy projects in our region, many of which are in the initial or early stages of development having forecast connection dates within this decade.

ESC supports the development of a generation map as one of the tools required to facilitate a greater extent of coordination across the industry. It should include details of activity timelines and phasing for projects, setting out all associated infrastructure requirements. Greater coordination as part of the offshore detailed design should also be reflected for any onshore infrastructure requirements. We agree that the BEIS and Ofgem Network Design Objectives outlined in Table 3 on page 46 of the consultation document represent suitable and appropriate considerations i.e. economic and efficient costs, deliverability and operability, environmental impact, and local community impact. The proposed workstream approach set out in this consultation is expected to provide an appropriate framework for delivering the pathway to 2030 projects.

Responding to some of the Pathway to 2030 questions posed on page 63 of the consultation document, Question 11 asks *'Do you agree that the existing developer led model should be retained and applied where the Holistic Network Design (HND) indicates a radial solution should be used? Please explain your answer?'* ESC considers that this approach may be appropriate, however we also share the view expressed in the joint response submitted by the New Anglia Local Enterprise Partnership, Norfolk County Council and Suffolk County Council which is that this should not negate the opportunity for integration of that connection into a wider integrated network in future, should the need or opportunity present itself.

ESC notes the six delivery models for offshore infrastructure put forward as part of this workstream (summarised in Table 4, p.53), and recognise that the chosen option will dictate the timeline for implementation. ESC supports the inclusion of early competition in the delivery of offshore infrastructure as it has been noted that this would allow the potential for greater innovation at the detailed design stage. It is however recognised, that initially, the preferred option by developers over the very short-term may be Option 6 'Developer design and build, offshore transmission owners operate'. This may be preferred due to the timeline remaining to deliver pathway to 2030 projects. If this is the case, as set out in section 3.63 on page 57, we strongly agree and support the view that further work would be required to ensure that appropriate incentives exist for generators to build network infrastructure for assets beyond those required for their specific projects.

### **Workstream 3 - Multi-purpose Interconnectors (MPIs)**

This workstream looks specifically at classification, licencing, and ownership of MPIs within the current legal framework in Great Britain and considers whether changes to legislation would better facilitate the delivery of MPIs. ESC shares the view expressed in the joint response submitted by the New Anglia Local Enterprise Partnership, Norfolk County Council and Suffolk County Council in reference to section 4.9 on page 66 which notes that as our seas become more crowded, and efforts are undertaken to achieve greater coordination of offshore transmission, it is becoming increasingly important for BEIS and Ofgem to explore options to facilitate MPIs in a way that realises their potential benefits. ESC supports the ongoing clarification of regulations, providing greater certainty that encourages and enables investment in flexible and coordinated network solutions. However, our primary aim is to protect our coastline, communities and onshore areas from unacceptable quantities of onshore connections, this remains our priority.

ESC supports the proposals that move to a coordinated approach to the offshore wind network and will continue to engage and participate in the forthcoming structured engagement with stakeholders. We 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 valuable rural and tourist spaces.

We hope that the above comments are helpful and look forward to hearing from you further as the coordination project progresses. We also request that we are kept updated on future reports and the outcomes of the OTNR moving forwards.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Philip Ridley', with a long, sweeping underline.

**Philip Ridley BSC (Hons) MRTPI | Head of Planning and Coastal Management**  
East Suffolk Council