

ScotWind roundtable response to Ofgem's OTNR consultation

Introduction

The ScotWind roundtable was established in early 2021, bringing together key stakeholders with a shared ambition to: 'identify tangible and deliverable solutions to the grid barriers to ScotWind development that ensure long-term benefit to consumers, the environment, local communities and other legitimate users of the sea'.

As a roundtable, we strongly support the intention of the Offshore Transmission Network Review (OTNR) and the need for greater coordination and collaboration, accelerating the investment in electricity transmission infrastructure required to meet our 2030 offshore wind targets and deliver a pathway to net zero emissions.

This response sets out several key themes and recommendations that we collectively believe Ofgem and BEIS should consider as part of the development of the Pathway to 2030 (PT2030) workstream of the OTNR.

Coordination is needed, onshore and offshore

Enabling up to 10GW of new offshore wind in Scotland by 2030 will require significant network infrastructure development, both onshore and offshore. Through the Scottish Government's Sectoral Plan for Offshore Wind, we already have a strategic plan with potential locations for ScotWind generation and through the NGEN's Networks Option Assessment (NOA) 6, substantial work has already been done to identify strategic reinforcements in onshore transmission infrastructure and associated boundary transfer 'boot straps' that we continue to expect will be required to support the connection and transportation of ScotWind generation to demand centres in the south.

The Holistic Network Design (HND) for PT2030 approach, as set out in the Terms of Reference, commits to using existing industry processes (with amendments where necessary) to produce timely recommendations for 2030 targets. Therefore, the HND for 2030 should build upon existing work undertaken through network option appraisals and existing sectoral planning, particularly in instances where the HND is seeking to bring new wind generation onshore.

Delivery models must align with 2030 targets

Given the extremely challenging timescales associated with delivering 2030 offshore wind targets and the associated network infrastructure, when determining the preferred delivery model for the offshore transmission infrastructure, it is critical that this can both realise energisation for 2030 and give certainty to offshore developers.

Whilst the roundtable is not providing a view on which of these offshore delivery models should prevail, we would strongly encourage Ofgem to ensure its assessment is clearly underpinned and assessed against the achievement of national 2030 offshore wind targets. This may result in different offshore delivery models for the Pathway to 2030 and the subsequent Enduring Regime, allowing for the regulatory and legislative changes that will be necessary for several of the offshore delivery models proposed for the Pathway to 2030.

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Equally, the development and delivery of the associated onshore transmission infrastructure required to enable delivery of 2030 targets must also be viewed in terms of deliverability by 2030. The development of onshore network infrastructure has long lead times (similar to those of offshore wind farms) and the Pathway to 2030 workstream programme must accommodate early decision making by TOs to ensure that the necessary onshore transmission infrastructure is in place to support the 2030 targets. This will result in greater certainty to offshore wind developers and the supply chain.

Scottish policy needs to be reflected

The ScotWind leasing round could deliver up to 10GW of new offshore wind capacity, supporting the Scottish Government's 11GW 2030 target and making a significant contribution to the UK Government's 40GW 2030 target.

Planning policy and consenting, including elements of environmental policy and seabed leasing (undertaken by Crown Estate Scotland) are all devolved powers. It is crucial that the Pathway to 2030 recognises and reflects where the timing and/or approach of these processes differ in Scotland given the critical role ScotWind will play in meeting 2030 targets.

For example, there will be a requirement to quickly reassess the HND outcome almost immediately following its anticipated delivery in January 2022 when the outcome of the ScotWind leasing round is known – both the HND outcome and the target date for confirmation of successful ScotWind projects is January 2022. Such a review will be essential for successful ScotWind applicants seeking confidence in the transmission infrastructure programme necessary for their connections.

The HND needs to provide a high degree of certainty

Notwithstanding the need to reassess the HND following the outcome of the ScotWind leasing round, the HND must provide a clear recommendation that gives confidence to offshore wind developers, the supply chain, communities and environmental stakeholders about the high-level network infrastructure required to deliver 2030 targets.

This will allow meaningful consultation and engagement to take place with those affected stakeholders and ensure a collaborative approach to developing the subsequent Detailed Network Design (DND). It will also help secure the supply chain and associated skills development required to deliver 2030 targets in what is already a highly competitive and constrained global supply chain, encouraging inward investment and associated economic opportunities this would present.

Whilst we fully recognise and support the need for regulatory and consenting decisions to follow the robust processes already established, equally, we believe Governments and Ofgem must take bold decisions to provide the necessary confidence to deliver against our 2030 targets.

Strategic planning and a formal role for the roundtable

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The OTNR and associated Pathway to 2030 workstream presents a unique opportunity to take a strategic approach to accelerate the development of the network investments required to enable 2030 targets. To achieve this, close collaboration and coordination is essential.

In Scotland, this approach is happening organically through the formation of the Scottish Government's Major Energy Projects Group, the ScotWind Roundtable and strategic planning from Marine Scotland's Sectoral Plan, which informed Crown Estate Scotland's ScotWind leasing sites.

The ScotWind Roundtable has brought these elements together for the purpose of delivering ScotWind by 2030 and we believe policy makers and networks companies must work together to create greater certainty on long term strategic planning.

As a roundtable - with the collective knowledge, skills and track record to drive forward necessary actions to achieve coordinated spatial and electrical system planning - we stand ready to support BEIS and Ofgem in any way we can. As part of this, we believe the roundtable should have a role in informing and assessing the draft HND from a Scottish perspective, ensuring Scotland's policy targets and devolved powers are reflected in the final HND development.

Conclusion

We welcome the opportunity to respond to Ofgem's consultation and as a roundtable, look forward to continued constructive engagement as we seek to deliver against our shared ambition. We hope our representation will be carefully considered as part of the development of the Pathway to 2030.