



Ofgem
10 S Colonnade,
Canary Wharf,
London
E14 4PU

06/09/2022

Appeal Letter to Ofgem on the Acceleration of Onshore Electricity Transmission Infrastructure Deployment

Dear Ofgem,

This letter forms a response to the broad objectives identified in the consultation on Accelerating Onshore Electricity Transmission Investment published by Ofgem on 8th of August 22. Ocean Winds welcomes Ofgem's recognition of the need for acceleration of onshore transmission deployment and will continue to follow closely any decision the Regulator decides to take to accomplish such objective. As a leading offshore wind developer and electricity generator in Scotland, Ocean Winds is appealing to Ofgem to consider urgent measures for the acceleration of onshore electricity transmission infrastructure deployment in GB.

Ocean Winds UK has positioned itself as a key player in the offshore wind sector in Scotland. The first project development in the Moray Firth, the 950MW Moray East Offshore Wind Farm, is now fully operational with a potential to power 950 thousand homes throughout the UK. The second project development, Moray West, will be of a comparable size and will help meet the UK's deployment target of 50GW of offshore wind by 2030. In January 2022, Ocean Winds was awarded the rights to develop a further project in the Moray Firth, the Caledonia offshore windfarm which will continue to support the development of the UK supply chain while stimulating wider capital investment in the sector. Finally, in August 2022, Ocean Winds also secured the rights to further 2.3GW of capacity during the Scot Wind leasing round clearing process. With a portfolio of 6.1GW of total gross capacity, OW has the potential to render an important contribution to the energy transition and the achievement of Government's net zero ambitions.

Security of supply, net zero targets, as well as lower bills for consumers are all largely dependent on the rate of deployment of transmission network infrastructure, and we are



OW is a new 50:50 offshore wind joint-venture, owned and created by EDPR and ENGIE. Both companies believe that offshore wind energy is an essential part of the global energy transition, leading to the sector's rapid growth and increased competitiveness.



deeply concerned that this is not keeping up with what is required. We are therefore appealing to Ofgem to implement measures that enable the efficient, fast, and cost-effective delivery of transmission infrastructure. It is therefore critically important that appropriate policy and regulatory changes are implemented to enable the streamlining of regulatory approval processes in the interest of consumers.

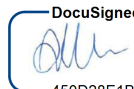
We also trust Ofgem to recognise the need to better coordinate transmission owners (TOs) with generators and other key stakeholders. To this end, a mechanism to track TOs delivery of network reinforcements could be helpful. In the consultation, Ofgem recognises the need for strategic coordination and commits to issuing confirmation on which of the reinforcements identified in the NOA Refresh (July-22) and deemed 'HND Essential' will be exempt from competition or expedited by the end of 2022. This arrangement will enable developers to have insights into updated transmission works in this instance, however, we propose that a more formal mechanism to track TO delivery of network reinforcement is put in place. This could take the form of the previously adopted Electricity Networks Strategy Group-style accountability. The ENSG was established in 2008, when the Government and Ofgem recognised that the potentially long lead times for expanding transmission capacity could impact upon meeting the 2020 renewables target. The 2012 ENSG Report monitored development in generation and networks and contained a commitment from TOs to ensure that appropriate investment was taken forward in a timely manner.

Today, it is of critical importance to recognise that the current progress of transmission projects is not in line with generators development, and that measures like the ENSG are urgently required to enable practical, efficient coordination of TOs, generators and other key stakeholders.

Overall, we strongly support the acceleration of electricity transmission upgrades, and we would welcome the opportunity to further discuss with Ofgem the implications of delays in network infrastructure deployment, as well as potential solutions such as the ENSG.

Yours faithfully,

Adam Morrison

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Signed for and on behalf of Ocean Winds UK Limited