

EnBW and bp response to Ofgem consultation on accelerating onshore electricity transmission investment, September 2022

Key points

EnBW and bp welcome Ofgem's objective of accelerating onshore electricity transmission infrastructure. We are supportive of the response from RenewableUK to this consultation.

We are concerned though about the potential unintended consequences of the ongoing series of reviews and consultations.

In our view, it is essential to ensure that delivery of onshore reinforcements meets the timeliness requirements to enable offshore wind projects to be delivered prior to 2030, where the developer stands ready to do so.

Any changes to the existing regulatory processes need to ensure that this aim is met. We are already seeing the uncertainties introduced by proposed process changes having a real impact on project delivery.

Further amplification

Bilateral Connection Agreements

As an example, we were expecting the confirmation of Bilateral Connection Agreements (BCAs) for our Morgan and Mona projects in the Irish Sea by Autumn 2022 at the latest. However, the latest communications received from National Grid now indicate a delay to the end of the year, with finalised agreements in 1Q2023. This creates further delay in completing the Agreements for Lease and moving those projects forward in the Development Consent Order process.

We believe that the Morgan and Mona radial connections should be considered as business-as-usual and therefore not subject to the evolving process for the Pathway to 2030 (PT2030) projects. We would welcome clarification of that point from Ofgem and National Grid ESO.

Network upgrade works

In addition, there is a list of the network works classified as local works that are not part of this consultation. Any delay to delivery of local works will have an adverse impact on the delivery of the wider network infrastructure works and timely firm connection for PT2030 offshore wind projects.

We suggest that all the network upgrade works facilitating the PT2030 offshore wind projects should be classified as 'Licence Obligations' works. It is important to develop an appropriate commercial framework for Transmission Operator penalties for non-delivery of works, with appropriate compensation to affected developers for any delay in the delivery of essential network upgrades to meet the PT2030 objective.