

# Consultation on the draft Centralised Strategic Network Plan Guidance

Tristan Bishop and Konark Anand 10, South Colonnade Canary Wharf London E14 4PU	Rob Rome Commercial, Customer and Regulation Director National Grid Ventures Ventures House, Warwick Technology Park, Gallows Hill Warwick CV34 6DA
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Dear Tristan and Konark,

This response to the consultation on the Draft Centralised Strategic Network Plan (CSNP) Guidance is submitted by National Grid Ventures (NGV), the interconnector business of National Grid plc.

NGV is the UK's largest interconnector and Offshore Hybrid Asset (OHA) owner and developer. Together with our European partners, we operate six point-to-point interconnectors between GB and mainland Europe. Further to the existing portfolio, NGV is developing several cross-border projects, including the UK's most advanced OHAs, Nautilus and LionLink, both of which have been awarded regulatory approval into Ofgem's first OHA pilot scheme. NGV is also developing future Multi-Purpose Interconnector (MPI) projects which aim to connect UK offshore wind.

The transition to Strategic Energy Planning (SEP) provides a valuable opportunity to ensure the GB energy system is designed in a cohesive way to deliver the UK Government's ambitious targets for Clean Power 2030 and Net Zero by 2050. For interconnectors and Offshore Hybrid Assets (OHAs) this could help to funnel options ensuring developer resources are only focused on viable project opportunities.

We appreciate the opportunity to provide feedback on the draft CSNP guidance, recognising it is a vital component to ensure the successful delivery of the National Energy System Operator's (NESO) CSNP methodology and final publication.

We have structured our response in three sections:

- 1) Feedback on the Draft CSNP Guidance.
- 2) Areas where we consider further work is needed to ensure NESO's Draft Methodology (June-25) aligns with the terms set out in this consultation.

- 3) The Appendix that includes responses to the relevant consultation questions and a table which offers a more detailed comparison between the Offshore Design chapter proposed in NESO's Draft Methodology (June-25) and Chapter 10 in this consultation.

## Section 1: Feedback on Ofgem's CSNP Guidance

We broadly support the draft CSNP Guidance.

Regarding Ofgem's proposed position in the Guidance to consider future offshore connections to be planned strategically and in a coordinated manner within the CSNP, we **believe that effective collaboration, clear transparency and early engagement with all stakeholders** are key to NESO delivering this. Additionally, it is important to ensure that NESO's recommendations allow flexibility within the strategic planning process to consider alternate solutions from developers that offer the opportunity for innovation and to account for factors that may not have been considered by NESO.

We **agree with Ofgem that NESO should collaborate with European parties** to ensure that recommendations on interconnector and OHA projects are compatible and coordinated with the plans of neighbouring systems. Communication with EU TSOs should also be transparent and coordinated with developers for completeness and efficiency.

We **agree with Ofgem that NESO or Ofgem could decide another CSNP update is required within the three-yearly CSNP cycle**. This could be an opportunity to consider new cross-border projects that are not in the current plan but would be in the best interests of consumers and align the timescales of NESO's planning process to the European planning processes. Given the complexity of cross-border infrastructure a degree of flexibility is essential, especially as NESO considers requirements extending to 2050.

Additionally, we welcome the recognition of the **need for alignment with other key programmes** such as Connections Reform and the developments in the Reformed National Pricing Delivery Plan. This is crucial to prevent the materialising of unintended consequences on interrelated workstreams.

To ensure that the NESO's CSNP Methodology and outputs successfully deliver on the ambitions for them, we suggest the following enhancements to the CSNP Guidance:

- **Role of developers:** There is a need to **confirm the delivery model for projects** that the CSNP identifies as optimal. This is essential to clarifying the respective roles in the end-to-end process of NESO, UK developers, EU TSOs and UK windfarms, in the case of MPIs.
- **Early and ongoing engagement with interconnector and OHA developers, along with European Transmission System Operators (TSOs):** Currently, the role and requirements for interconnector and OHA developers in shaping the CSNP methodology and engaging with the process has not been defined. We encourage the Guidance to highlight the importance of early and ongoing engagement with interconnector and OHA

developers, as well as UK windfarm developers and European Transmission System Operators (TSOs).

- **Clarity on purpose and output:** There is a need for clarity on how the CSNP will support an application window and a regulatory regime for interconnector and OHA projects, as explored in the Clean Flexibility Roadmap. Without this clarity, there is a risk that the regulatory approval process could be stalled. We would welcome a clearly defined end-to-end process.
- **Consistent terminology:** The CSNP Guidance clearly establishes Stages 1 to 6 of the CSNP methodology and what is expected under each stage. However, the terminology used in these stages is currently absent from NESO's publications. We recommend ensuring consistency in terminology to ensure transparency and clarity.
- **Further detail on how NESO should ensure a holistic approach to Electrical and Spatial Coordination:** It is unclear from NESO's publications how Electrical and Spatial Coordination will be achieved in a holistic manner and how this applies to OHAs. To that end, there is a need for clarity on NESO's detailed approach to coordination.
- **It is essential the end-to-end process avoids duplication of project assessments:** We support the Guidance that requires NESO to conduct a robust Cost-Benefit Analysis (CBA) to evaluate the impacts of interconnectors and OHA's as part of the CSNP. However, to enhance efficiency, we recommend that a CBA is not then repeated during the regulatory assessment stage.

## Section 2: Feedback on how NESO should be held to account in the period as they finalise the final methodology for consultation:

We have identified potential gaps between Ofgem's Draft CSNP guidance and NESO's Draft CSNP Methodology for interconnection:

- **Modelling of Interconnectors and OHAs:** The Guidance document suggests the CSNP methodology should set out how interconnectors will be modelled. NESO's draft methodology does not set out any detail on interconnector or OHA modelling.
- **Assessment process for Interconnector and OHA projects currently not outlined:** The assessment process needs to recognise the importance of ongoing collaboration with interconnector developers and European TSO's to align evolving project directions and connecting market arrangements in assessing the optimal projects for delivery. NESO's central role provides an opportunity to bring together expertise from across the sector to agree a single appraisal process for future offshore projects, we recommend this is also considered at this stage.
- **Clarification of the interaction with the SSEP:** The draft methodology does not provide clarification on the interaction between the CSNP and the SSEP. As an example, there are 17 economic zones in the SSEP, but there is a single national wholesale market in reality. To ensure alignment, there should be clarity on how the

CSNP will propose an optimal configuration of projects in line with the signals a national wholesale market provides.

At this stage, NESO's Draft CSNP Methodology lacks sufficient detail to evaluate how it will work for cross-border interconnector and OHA projects. Given the need for clarity, we would appreciate the opportunity to review, provide further input and feedback before the CSNP methodology is finalised.

Finally, to ensure effective alignment between the inputs into the CSNP, including the SSEP and outcomes of the OTC study, it is essential that the relevant teams across NESO, including the Offshore Electricity Transmission and Strategic Energy Planning teams work in an integrated and coordinated manner. Given the high degree of interdependence between these workstreams, strategic energy planning should be approached as a cohesive, end-to-end process. Collaboration will help to ensure consistency and strengthen the overall quality of the CSNP.

Given the urgency for clarity and the significance of this work for the industry, we welcome the opportunity to share our insights and participate in further discussions.

Yours sincerely,

**Rob Rome**

Commercial, Customer and Regulation Director

### Section 3: Appendix

This appendix outlines our responses to the relevant consultation questions. With a detailed focus on the question in **Chapter 10: Electricity- offshore network planning in the CSNP**.

*1) Do you agree that Chapter 2 – developing and submitting the CSNP Methodology - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

We agree that the proposed CSNP methodology must define modelling methods. However, it is unclear from the Draft CSNP Methodology how NESO intend to model interconnector and OHA projects.

We agree that the proposed CSNP methodology must define clear processes and requirements for relevant stakeholders. Further clarity is needed on the requirements for developers and their role in project delivery for NESO to meet this expectation.

We agree that the proposed CSNP methodology must define the roles and responsibilities of other parties contributing. Currently, this is not defined for developers. We suggest developers are engaged in the early stages of the CSNP and remain involved throughout the process.

We suggest a coordinated and transparent timeline between NESO and Ofgem's consultations, e.g. for approvals of amendments to the CSNP. This will ensure there is adequate time to review and provide meaningful feedback.

*2) Do you agree that Chapter 3 – general requirements applying to all CSNP stages - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

We agree that the CSNP methodology should include a publication of an overall project plan to produce the CSNP. For interconnector and OHA projects, timescales and process cycles of CSNP inputs and outputs are unclear at this stage.

We agree that NESO should set out how different stakeholders can engage with its processes. The methodology as drafted does not set out how interconnector and OHA developers can engage in the process. The methodology is proposing significant changes to the current developer-led model, and it is therefore key to involve developers in this process. We suggest that interconnector and OHA developers should have adequate routes to feed in and shape the CSNP Methodology and the CSNP.

*Do you agree that Chapter 4 – Stage 1: model future energy supply and demand - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

We welcome the recognition of the need for alignment with other programmes such as Connections Reform and the developments in the Reformed National Pricing Delivery Plan.

We agree with the expectation for NESO to set how and why modelling input from the SSEP and Future Energy Pathways or other sources will be used in CSNP analysis. As above, the draft methodology did not set out how interconnectors will be modelled.

We suggest this requirement is extended to include how OHAs will be modelled.

*Do you agree that Chapter 5 – Stage 2: identifying system needs – adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

We suggest the Guidance sets out the timeframes for developers to submit their projects, as well as the response times required from NESO. Establishing these timelines will prevent delays and prolonged back-and-forth communication.

*Do you agree that Chapter 6 - Stage 3: identifying options - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

We agree that the CSNP Methodology must define the minimum level of design required for developers to submit projects. Once the minimum level of design is defined, we can engage further with NESO on the suitability for interconnectors and OHA projects. It is important to ensure that NESO's minimum level of design criteria is not overly prescriptive, allowing for the benefits of developer led innovation to be accrued.

We agree that the Methodology should describe how, when and under what circumstances third parties will be able to put forward their high-level design options. This is not clear in the Draft Methodology, transparency of how NESO intends to collaborate at this level is key to ensuring developers can engage effectively with the plan.

*Do you agree that Chapter 7 - Stage 4: decision-making framework - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

We agree that the CSNP decision-making framework should be transparent and adaptive to change. This transparency and adaptability is important for cross-border projects when aligning on evolving projects and connecting market arrangements with European TSOs.

We suggest that in the decision-making framework for NESO incorporates the outputs from European strategic network planning and offshore studies into the CSNP process. For example, the ENTSO-E (European Network of Transmission System Operators for Electricity) Ten-Year Network Development Plan (TYNDP) and Offshore Network Development Plans (ONDPs), and the Offshore TSO Collaboration (OTC) expert paper III. These network development plans and studies collectively aim to identify investment gaps, support cross-border interconnection, and exemplify the necessary national and regional collaboration required for the planning and delivery of resilient, future-proofed meshed grid solutions. Therefore, incorporation of their

outputs into the CSNP process will help to ensure coordinated, transparent, and regionally integrated electricity and offshore networks between the UK and EU.

*Do you agree that Chapter 8 – Stage 5: develop a CSNP - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

We agree that the CSNP Methodology must explain alignment with the SSEP. It is unclear as per the Methodology how CSNP aligns with the SSEP for interconnectors and OHA's.

For the CSNP consultation to be meaningful and inclusive, we suggest the Methodology sets out the process for consultation of the provisional CSNP.

*Do you agree that Chapter 10 – Other planning roles in CSNP - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.*

Our ability to provide a definitive answer at this stage is limited by the lack of clarity on the policy intent of the CSNP in relation to interconnector and OHA delivery. The policy intent should be clearly defined and accommodate cross-border considerations such as interoperability with our European partners' different regulatory and system frameworks, which is vital for the development of ICs and OHAs.

To outline the existing lack of clarity regarding the inputs and outputs of the CSNP and the assessment process for interconnectors and OHA projects within that, Table 1 compares the expectations outlined in the Draft CSNP Guidance with the level of detail proposed in NESO's Draft CSNP Methodology. We hope this will identify target areas for NESO's final methodology to be able to deliver on the expectations set out in this draft guidance and in doing so provide much needed clarity to interconnector and OHA developers.

Table 1:

Ofgem consultation on the draft CSNP Guidance- Chapter 10 (consultation period 4 August 2025- 1 September 2025)	NGV feedback considering NESO consultation on the draft CSNP methodology- Offshore design (consultation period 30 June 2025- 1 August 2025)
Electricity- interconnectors	
10.5	<p>It is unclear how Interconnection and OHA analysis will integrate into the CSNP as the draft methodology did not set out parameters such as optimal locations, capacities and delivery timelines.</p> <p>The draft methodology does not set out how NESO will model interconnectors and OHAs.</p>



	<p>The draft methodology does not provide clarification on the interaction between the CSNP and the SSEP. As an example, there are 17 economic zones in the SSEP, but there is a single national wholesale market in reality. To ensure alignment, there should be clarity on how the CSNP will propose an optimal configuration of projects in line with the signals a national wholesale market provides.</p>
<b>10.6</b>	<p>NESO are not clear at this stage what the assessment process is for interconnectors and OHAs - we would like to be involved in the development of the assessment process and for it to be flexible enough to account for interoperability of cross border projects.</p> <p>While we support the intention for the CSNP to consider whether an interconnector should be delivered as a point-to-point or an OHA, it would be beneficial to understand how Ofgem envisions an 'equal' balance in the assessment process.</p>
<b>10.7</b>	<p>We believe it is important to clearly outline the end-to-end process for project assessment, ensuring that the roles and responsibilities of NESO, DESNZ and Ofgem are well-defined. Given the complexities involved and the need to give developers confidence to engage, the process should be designed to ensure transparency in the modelling approach and facilitate opportunities for feedback.</p> <p>Additionally, we recommend that specific assessment criteria for a project not be evaluated multiple times at different stages. For example, system operability impacts should be assessed at one stage and not repeated for the same project at a later stage. This will enhance efficiency and clarity throughout the assessment process.</p>
<b>10.8</b>	<p>We support the requirement for NESO to recognise the importance of international collaboration. However, there was limited detail on how interoperability will be considered.</p>



*We're proposing that offshore connections should be planned within the scope of the CSNP. We set out our requirements on the licensee with regards to this additional scope (see chapter 10: Electricity - offshore network planning in the CSNP). What are your views on this proposal?*

We broadly support the proposal to bring offshore connections within the scope of the CSNP, recognising the need to ensure a holistic view of the energy system. However, for this approach to be effective- particularly in the case of cross-border assets the approach must ensure:

- **Early and meaningful collaboration with developers, UK windfarms and European TSOs.** Developers are uniquely positioned to contribute technical insight, commercial experience and practical understanding of delivery risks. Developers have established and successful relationships with European TSOs which are vital to navigating cross-border regulatory and operational complexities. This expertise should be fully utilised from the outset of the CSNP process.
- **Transparency in how recommendations are made** with thorough justifications of how developer input has been considered.
- **A sufficient level of flexibility** which could be achieved through the ability to review the CSNP within the three-year cycle as a mechanism to incorporate alternative projects that are beneficial for UK and overseas consumers.
- **An output that enables innovation by avoiding an overly prescriptive approach to the offshore design.** While strategic planning could provide valuable direction, it is important that the CSNP maintains the flexibility needed to preserve the benefits of the current developer-led model- including the ability to introduce innovative and commercially viable solutions.

Additionally, we suggest Ofgem specify further guidance on how NESO should apply an optimal balance between spatial and electrical coordination with regard to OHAs.