

## **Low Carbon's response to Ofgem's "Consultation on the draft Centralised Strategic Network Plan Guidance"**

**Chapter 2: 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.**

- N/A

**Chapter 3: 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.**

- N/A

**Chapter 4: 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.**

- N/A

**Chapter 5: 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.**

- N/A

**Chapter 6: 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 support Ofgem's position that it is important for the CSNP to retain flexibility in the face of inevitable uncertainty about the future, including the proposed "Funnel of Options" (which acts as a buffer against attrition and uncertainty).
- We note that this is a different approach to Connections Reform, where NESO's Methodologies ruled out applying an uplift for attrition when applying the targets/caps set by the Government in the Clean Power Action Plan (CPAP). We recommend that future caps/targets in the Connections queue (likely based on the SSEP) does apply an uplift for attrition, in line with these proposals for the CSNP.
- The Funnel of Options should consider a wide range of alternatives, including offshore and onshore network reinforcement, as well as higher voltage alternative such as 800kV OHLs and/or UHVDC OHLs.
- The CSNP should pay special attention to the potential to reuse or upgrade existing infrastructure corridors (noting, for example, that there are mothballed overhead lines in-situ between Rayleigh and Bradwell GSPs that could be refurbished and reenergised or replaced at minimal net impact on local communities).
- In addition, we also believe that the CSNP should consider how infrastructure could be repurposed in the event that certain technologies do not deliver as planned – for example we see this as a particular risk with floating offshore wind, which is currently nascent and expensive. The CSNP should analyse what infrastructure could be reused in the event that floating offshore wind projects do not deliver and are replaced by, for example, more onshore wind projects.

**Chapter 7: 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.**

- See comments re: Chapter 6 / Stage 3 above.

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

- We believe that the CSNP Methodology needs to set out clearly how it will interact with future caps/targets in the grid connections queue (rather than just with SSEP).

**Chapter 9: Do you agree that Chapter 9 – Stage 6: handover to a delivery body - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.**

- We understand why, when releasing funding, Ofgem proposes to base timing on the Optimal Delivery Date (ODD).
- However, we believe that there is significant advantage in conducting siting studies well in advance of the critical path working backwards from the ODD.
- CSNP/SSEP/Clean Power 2030 will require the delivery of substantial numbers of new substations for generation and demand projects.
- We and other developers of generation projects have experience issues where TOs will only conduct siting studies on their critical path (based on ODD), whereas developers need to know the location of the substation much earlier (based on the developer's critical path driven by consenting timeframes for the generation project that are often longer).
- Without new substations being sited early, it becomes difficult for developers to secure the necessary consents for their generation projects.
- Given that siting is a relatively small part of the overall budget for new transmission infrastructure, we don't believe that this proposal poses much risk of abortive costs.
- Following the Gate 2 to Whole Queue Exercise, the connections queue will be a much more reliable indicator of which projects are likely to progress, which in our view makes it easier to justify TOs undertaking siting studies earlier than based on the ODD.

**Chapter 10 (1/2): 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.**

- N/A

**Chapter 10 (2/2) 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 believe it is essential that offshore and onshore reinforcement are co-optimised as part of the CSNP, rather than having separate processes for offshore and onshore connections.
- We believe that anything else could lead to suboptimal outcomes, especially given that the SSEP will co-optimize both onshore and offshore generation and demand.

- By co-optimising onshore and offshore reinforcement in the CSNP, we expect that NESO will be better able to consider both onshore and offshore reinforcement options to facilitate offshore wind generation (seeing both onshore and offshore options entering the Funnel of Options).

### **General Feedback:**

#### **Was it easy to read and understand? Or could it have been better written?**

- Would have benefitted from putting the consultation questions in a single place at the start or end of the document.

#### **Any other comments?**

- When developing the CSNP, NESO should be as transparent as possible:
  - We believe that the CSNP Methodology should require NESO to publicly release as many details as possible about the inputs, outputs and options considered in the development of the CSNP.
  - The CSNP Methodology should also set out that NESO will conduct public consultations wherever possible.
  - This contrasts with NESO's approach taken in the SSEP to rely on trade bodies to collect feedback from industry. We have found this approach to be inefficient, and we believe that NESO has applied confidentiality to material where the case for confidentiality is weak.
- It is important for the CSNP Methodology to set out how the CSNP and SSEP will interact with the connections reform.
  - We note that the SSEP Methodology is light in detail on how SSEP will or will not create new caps/targets in the Connections process to replace the caps/targets in the Government's Clean Power Action Plan (CPAP).
  - We believe that this is a major weakness in the SSEP Methodology, as the interaction with connections should be a key driver of how the SSEP and CSNP are developed, including which sensitivities are explored and how competition, attrition and uncertainty are modelled.