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Response from the Essex and Suffolk coalition of amenity groups

Offshore transmission - Consultation on potential measures to support efficient network coordination

The counties of Essex and Suffolk are in the frontline of the UK's redevelopment of its energy industry and the resultant changes in infrastructure. The Essex and Suffolk coalition of amenity groups has therefore been represented as a stakeholder on the OTCG and maintains a keen interest in subsequent regulatory developments.

We welcome the revision of regulation in order to encourage anticipatory investment. It is clear from our local experience that the present system is not working in the best interests of the offshore developers, local communities and the UK as a whole. We believe that improved coordination is not merely "desirable" but is essential. We can thus answer all questions as to whether planning documents such as ODIS and SYS should be combined with an unequivocal 'yes'.

On certain other issues our response is more guarded. Firstly, while in practical terms there is much to recommend the ongoing role of NGET in extended system planning, we believe consideration should be given to greater separation between the role of NGET as NETSO, the overarching system manager and planner and as TO, the asset owner. There are potential conflicts of interest, especially if third party competition is developed across the grid.

Secondly, while many of the more detailed technical or operational questions posed in your consultation paper are best answered by industry and other special interest consultees, we have some concerns about the tone of several sections of the consultation document. The document deals briefly with sustainable development, noting:

1.53. The OTCG concluded that coordination has the potential to minimise environmental impacts (and necessary planning applications) if they reduce cabling and landing sites in sensitive areas.

But in other areas there is repeated use of the phrase "economic and efficient" in a manner that implies lowest capital cost rather than the holistic economic assessment that is required.

Clearly, long term, coordinated investment must look beyond short term cost saving and include full socio-economic validation. In this respect the consultation document also appears to pay insufficient regard to the specific nature of offshore generation in one important respect.

Intermittent wind generation obviously poses particular problems when considering broader economic issues. The impact on MITS reinforcement - part of the coordinated approach - is governed in large part by the need to satisfy NETS SQSS, notably GSR009. Despite extensive consultation, uncertainties surrounding some assumptions within GSR009 mean that this document should be back-checked frequently to ensure it remains fit for purpose as a key tool in determining the development of a coordinated grid.

The SQSS Review Group agreed that, in theory, a cost benefit approach based on specific reinforcement costs is the most robust form of economic appraisal¹. However, this approach was dismissed on various grounds. We believe that such dismissal may, when applied to some cases, be hasty. As project costs are liable to change between optioneering and completion - perhaps due to planning constraints - and generation scenarios are revised, it is unclear whether GSR009 harmonises sufficiently with the regime proposed in the coordination consultation document to allow effective economic evaluation of individual major projects; in crude terms the balance between infrastructure project cost and the 'value' of electricity generated above the median. Good alignment of all parts of the regime is critical to the success of long term strategic planning and the avoidance of under-utilised, as well as redundant, assets.

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On behalf of:

The Essex and Suffolk Coalition of Amenity Groups

Bury not Blight
Colne-Stour Countryside Association
CPRE Essex and Suffolk Branches
Dedham Vale Society
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The Suffolk Preservation Society

¹ *Amendment Report - Review of Required Boundary Transfer Capability with Significant Volumes of Intermittent Generation*, April 2011, page 7.