



**National
Trust**

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24th February 2017

Mr James Norman
New Transmission Investment Team
Ofgem
9, Millbank
London
SW1P 3GE

By Email

Dear Mr Norman,

**RESPONSE TO THE OFGEM CONSULTATION “NORTH WEST COAST CONNECTIONS
– CONSULTATION ON THE PROJECT’S INITIAL NEEDS CASE AND SUITABILITY FOR
TENDERING”**

National Trust welcomes this opportunity to formally comment on the North West Coast Connections Project’s initial needs case and suitability for tendering.

Introduction

The National Trust is an independent charity founded in 1895 with a statutory purpose and obligation to ‘permanently protect places of natural beauty or historic interest for the benefit of the nation’. We have nearly 120 years of experience of managing land and buildings and of using the planning system to help conserve our properties and the wider environment around them.

Our current membership is 4.5 million people and we are Europe’s largest conservation charity. We host over 200 million visits to our outdoor sites and over 22 million to our pay for entry sites each year. We own over 600,000 acres of land.

We have an extensive presence within the Lake District National Park where our overall portfolio exceeds 50,000 hectares (approaching 25% of the total area). We also own key sites across Cumbria and North Lancashire, particularly around Morecambe Bay and the Duddon Estuary as well as interests along Cumbria's west coast.

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Ofgem Questions

Question 1: Do you agree that there is a technical need for the project if Nugen's project goes ahead?

National Trust is not in a position to be able to comment on the technical need for the project. However, if the Moorside development does not proceed we do not believe there is a technical justification for the project.

Question 2: Do you agree that connecting the Moorside site using four 400kV circuits is appropriate and compliant with SQSS requirements?

National Trust does not have the technical expertise to be able to comment on the appropriateness of the use of four circuits.

Question 3: Do you agree with our initial conclusions?

Given the scale of the North West Coastal Connections project, its potential for significant environmental impact and its location in the iconic Lake District National Park and setting, the National Trust considers that the best possible scheme needs to be delivered. We agree that Ofgem is justified in taking into account the sensitivity of the location in its assessment of the proposed approach and we welcome the fact that Ofgem is factoring in the challenges of obtaining planning consent and potential costs of mitigation in its cost-benefit analysis.

In planning terms, the scheme will come under detailed scrutiny and will need to be able to demonstrate that it is compliant with a number of regulations and duties:

- NGET's duty of care for the statutory protection of the landscapes and special qualities of National Parks. As a Statutory Undertaker under Section 62 of the Environment Act 1995, NGET has a duty to pay regard to the purposes of the Lake District National Park, specifically preserving and enhancing natural beauty, and promoting public enjoyment
- The Lake District World Heritage Site nomination for the LDNP as formally submitted
- To have regard to the purpose of conserving and enhancing the natural beauty of AONBs in accordance with Section 85 of the Countryside and Rights of Way Act 1981
- The 'Holford Rules' – including in respect of Heritage Coasts such as that at St Bees/Whitehaven
- The National Policy statements for energy in EN-1 and EN-5
- Protection of internationally, nationally and locally designated nature conservation sites and meeting the requirements of the Habitat Assessment Regulations

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- The conservation and enhancement of designated heritage assets and their settings
- Advice related to the above environmental assets in the National Planning Policy Framework and in adopted Statutory Development Plans

The need to meet the above will necessarily incur mitigation costs but we believe that these costs are fully justified in order to avoid unacceptable harm to the National Park, candidate World Heritage Site, and its setting.

In terms of Ofgem's assessment of the suitability of NGET's proposed scheme, National Trust would broadly support the assessment as set out in the consultation document (subject to specific comments below) whilst drawing attention to a significant omission.

We do not believe that the impact of the current proposal to the setting of the National Park and candidate World Heritage Site has been adequately considered. The risk of NGET being required to further mitigate within the Whicham Valley and Duddon section in order to obtain planning consent should be accounted for in the cost benefit analysis in section 2.32 – 2.35.

In relation to the specific sections of the route which Ofgem are considering:

- *Onshore circuits North*

The National Trust is comfortable with the proposal to connect to Harker via overhead lines running close by existing cables.

- *Undergrounding through the National Park*

National Trust supports Ofgem's assessment that undergrounding the section between Drigg and Silecroft, which runs through the National Park, is justified. This is an acknowledgement of the significance of the National Park and is recognition of the unacceptable, adverse impact that overhead cables would have. Undergrounding will be necessary in order to meet the legislative requirements as set out above and obtain planning consent.

- *Tunnel underneath Morecambe Bay*

National Trust supports this option if there is no feasible off-shore route. We strongly support Ofgem's assessment that the on-shore route through South Lakeland should be discounted due to the unacceptable impact on the National Park and the costs of mitigation.

Offshore options

National Trust echoes Ofgem's concerns that NGET has discounted what appears to be a feasible HVAC offshore option from Kirksanton to Rossall. This seems to provide a potential solution that would remove substantial harm to the National Park and its setting. In our

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response to the Stage 3 Consultation (January 2017), we called for this option to be reconsidered in greater detail in consultation with partners.

We believe it is right that Ofgem consider the risk that planning consent will only be granted if substantial mitigation is proposed for the section through the Whicham Valley and at the head of the Duddon. National Trust and several partners suggested in our Stage 3 response that flawed methodology has led to NGET underplaying the impact of overhead lines in this section of the route on important receptors both within and outside of the National Park, leading to a failure to adequately assess alternative technologies. This places NGET at risk of failing to undertake their duties under Section 62 of the Environment Act 1995. The land that the overhead lines will follow in the Duddon is highly designated for nature (SAC and SSSI) and this must add to the likelihood of costly mitigation being required in this section.

We also question the costs put on the HVAC scheme by NGET. We find it hard to understand why it would cost substantially more to route cables offshore compared to engineering a tunnel under the Bay. We are pleased to see that Ofgem has also raised this question but would suggest that needing to meet pre-determined timescales is not a strong enough reason to agree to discount this option (contrary to Ofgem's position in 2.35) when it provides a potential option to reduce substantial harm to the setting of the National Park.

Question 4: Are there any additional factors that we should consider as part of our Initial Needs Case assessment?

We have cited our main concerns above.

Question 5: Do you agree with our view that:

(a) the overall project meets the criteria for tendering?

The National Trust recognises that under the right circumstances, and with the right environmental standards in place, introducing competition into the market may be an effective way to deliver value for consumers. We would be concerned however by an approach which sought to introduce this practice for the first time in connection with the NWCC project. This is for several reasons. The project itself is the largest and most complex undertaking that has been carried out on the transmission network in several decades. It is being pursued in a very sensitive and complex landscape, a high profile and highly valued National Park, tourist destination and, it is hoped, soon to be World Heritage Site. A wide variety of local, national and indeed international stakeholders are active and engaged with project, and have been over many years.

In such a complex environment, we believe that the benefits of continuity should not be lightly dismissed. We are confident that the detailed knowledge, understanding and relationships that NGET have already built up would make a significant contribution to the future smooth running and deliverability of the NWCC project. In contrast, the addition of new commercial players at such a late stage in the process runs the risk of further complications in an already time consuming, sensitive and complicated process. The potential consequences include prolonging timescales for no additional benefit, added work

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for statutory and non-statutory agencies and owners alike in the detailed design, consenting, implementation and restoration phases, and increased costs.

(b) the potential sections meet the criteria for tendering?

Tendering part of the project runs all of the risks outlined above, and adds even further complexities through having more than one provider involved in the 'build and operate' phases of the NWCC. This is likely to put real pressure on local capacity to engage appropriately with the project.

In addition, we have concerns regarding the section of the project which is being considered for tender (the southern route excluding the Morecambe Bay Tunnel). This section has been put forward because it has been suggested that it can be delivered later in the project, leaving time for the tender process to take place. We would suggest that this analysis does not take sufficient account of the national importance and environmental sensitivity of the landscape in this section of the route. If one section were to be chosen, we would suggest that the northern route is significantly less complex, however we recognise the timing challenge in this case.

Question 6: What are your views on our deliverability assessment for: (a) the overall project? (b) the potential sections? In particular, considering our analysis of the design, procurement, and construction timelines as submitted by NGET.

Please see our response to Question 5.

Question 7: What are your views on the need for overall coordination of the whole NWCC project if the project were to be split into packages with different delivery parties?

We have concerns with the proposal to split the project into different delivery packages. Please see our response to Question 5.

If the project was split up, overall coordination across the delivery packages would be extremely important, but would still run the risk of adding further complications and placing additional costs on consumers, statutory and non-statutory consultees and local communities, due to the need for duplicated efforts at the detailed design, consenting, build and restoration stages.

Question 8: If some, or all of NWCC were to be tendered, what, in your view, is the most appropriate allocation of risks across the relevant parties (TO, CATOs, and consumers)? How should these risks best be managed?

No comment

Question 9: What are your thoughts on the substation modification and extension works at Harker and Middleton, in the context of efficient CATO delivery, including the options presented in this document?

No comment

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Thank you for the opportunity to respond to this consultation. The National Trust would like to remain engaged with Ofgem as the NWCC project develops, and would like to be kept informed of the outcome of this consultation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ingrid Samuel'. The signature is written in a cursive style with a large initial 'I' and a long, sweeping underline.

Dr Ingrid Samuel
Historic Environment Director
National Trust

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