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August 2023

# Electricity System Operator (ESO) Open Letter on the East Anglia Study

Dear Stakeholders,

The ESO is writing to provide communities with an update on our study into electricity network infrastructure in East Anglia.

This study will begin shortly, after a government decision on funding the continued development of offshore coordination between certain offshore wind farms and interconnectors is made. This is because any new offshore coordination may change the underlying needs case for planned onshore electricity network infrastructure in the region.

We will independently assess the different ways the electricity being generated can be transported, once it has landed, to where it is needed. Central to this is ensuring there are opportunities for local representatives to input their views. We are planning on hosting series of discussions across the region to (1) allow the ESO to provide more information on our assessment; and (2) allow for attendees to provide the views and thoughts of those they represent.

We very much look forward to hearing these views and ensuring that our assessment provides clear and independently prepared options of how this much needed renewable energy can connect to, and be transported along, the electricity system in the most cost-effective and holistic way.

#### Who is the Electricity System Operator and what do they do?

As the Electricity System Operator for Great Britain, it's our job to move high-voltage electricity around the electricity grid. Our control room does this second by second to ensure that the right amount of electricity is where it's needed, when it's needed, across Great Britain 24/7, 365 days a year.

We are a legally separate organisation within the National Grid group. In 2024, we will transition into the <u>Independent System Operator and Planner</u> – a new organisation which will be owned by Government and wholly independent. The ESO



will be at the heart of this new organisation and will take on a strategic network planning role across electricity and gas.

## Our role in electricity network planning

We don't generate or sell electricity – that's down to other companies. We also do not own or develop the infrastructure the electricity travels through. One of our key responsibilities is to produce high level network options assessments and put forward reinforcement recommendations for other companies to take forward and build. We currently do this GB wide for onshore and offshore electricity transmission infrastructure.

We work closely with a wide variety of stakeholders and bodies to examine a whole range of different technical and engineering solutions to ensure electricity can get where it is needed when it is needed. This is all with the aim of ensuring our energy system can fully decarbonise by 2035 in a way that is reliable, affordable, and fair to all.

Currently, it is up to GB's Transmission Owners (TOs), offshore wind and interconnector developers to work through the exact specifications of required network infrastructure, consult with local communities and make decisions on what to build.

The study into electricity network infrastructure in East Anglia that the ESO will shortly be conducting will be taken into consideration by National Grid Electricity Transmission (NGET, the Transmission Owner) when deciding how best to deliver the required reinforcement and increased transmission capacity in the region.

## Offshore Transmission Network Review and voluntary offshore coordination

The Offshore Transmission Network Review was launched by the Government in July 2020. The review is designed to ensure transmission connections for offshore wind generation are designed and delivered in the most appropriate way. The review considers the United Kingdom's targets for offshore wind necessary to achieve net zero whilst balancing environmental, social and economic costs.

The UK Government announced in July 2022<sup>1</sup> that five projects in East Anglia: Sea Link (National Grid Electricity Transmission), EuroLink and Nautilus interconnectors (National Grid Ventures) and the North Falls and Five Estuaries offshore windfarms, had confirmed their commitment to exploring coordinated network designs.

To support this review, the government may issue grant payments for certain projects<sup>2</sup> to develop voluntary offshore coordination options alongside their current network connections, through the Offshore Coordination Support Scheme (OCSS)<sup>3</sup>. The decision on whether to provide grant payments to relevant developers is currently with the Department for Energy Security and Net Zero<sup>4</sup>.

<sup>&</sup>lt;sup>1</sup> <u>Joint statement from North Falls, Five Estuaries and National Grid: Commitment to exploring coordinated network designs in East Anglia - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>2</sup> The UK Government will announce which projects have agreed to voluntary coordination through the OCSS.

<sup>3</sup> https://www.gov.uk/government/publications/offshore-coordination-support-scheme

<sup>&</sup>lt;sup>4</sup> Accurate as of 15<sup>th</sup> August 2023.



It is important to note that a decision from government to grant OCSS funding will not result in immediate or automatic changes to existing, signed connection agreements between ESO and offshore wind projects. If an option is progressed, in scope developers will take approximately 18 months to two years to explore this coordination further, alongside their existing connection agreements.

## Why is the ESO conducting this study in East Anglia?

Any new options (coordination of connections) being considered by developers within the OCSS scheme may change some of the underlying power flows and therefore the need for transmission reinforcements in East Anglia. Our study will examine whether the needs case has changed, after the outcome of the Government's OCSS is known.

#### Scope and method of the assessment

For the avoidance of doubt, the study will not re-assess the OCSS outcome. Our study will assess ways electricity can be transported from where it lands (from the relevant in scope windfarms and interconnectors) to where it is needed. Please see our terms of reference for further information on this.

The ESO will confirm the scope of the study once the outcome of the OCSS is known. If any new coordination of connections arises from the OCSS, then we will assess options for the reinforcement of the transmission network, including a Norwich to Tilbury circuit (formerly known as East Anglia Green) and potential alternate options (including options routed offshore).

We will assess different options, onshore and offshore, utilising the same criteria as the Holistic Network Design<sup>5</sup>. These metrics are:

- o cost to the consumer,
- deliverability and operability,
- o impact on the environment and
- o impact on local communities.

Similar to previous studies we have conducted such as the Holistic Network Design, we will be working closely with two independent specialist consultancies on this assessment.

#### **Engagement plan**

We will be running a series of discussions with elected representatives and amenity groups across East Anglia once our study has begun - we very much look forward to hearing insights from these representatives.

<sup>&</sup>lt;sup>5</sup> <u>The Holistic Network Design</u> (HND) was a first of its kind, integrated approach for connecting 23GW of offshore wind to Great Britain, which the ESO was asked by Government to produce in 2022. It provided a recommended offshore and onshore design for an electricity network to facilitate the Government's ambition for 50GW of offshore wind by 2030. Offshore wind projects further advanced in their development, including those off the coast of East Anglia, were deemed out of scope of the HND by Government.



These meetings will be an opportunity to understand our scope of work, assessment criteria and to hear attendees' thoughts and views on the different options we are assessing.

This assessment is not part of a statutory consultation. It is also separate to National Grid Electricity Transmission's (NGET's) ongoing consultation on Norwich to Tilbury (formally known as East Anglia Green).

How does the outcome of this study align with National Grid Electricity Transmission's ongoing consultation for their proposed Norwich to Tilbury Project?

The ESO will produce a final report that will be made publicly available for interested parties. This report will then be considered by National Grid Electricity Transmission as part of their ongoing development of the Norwich to Tilbury project ahead of the statutory consultation scheduled for 2024.

We would like to finish by thanking all of those who have taken an interest in this critical work. If you would like more information on this assessment, please visit the Electricity System Operator website.