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Cc: Alison Shaw <hodgesrow1@btinternet.com>; Rosie Pearson <pylons@mail.com>; Jerome MAYHEW <jerome.mayhew.mp@parliament.uk>; bernard.jenkin.mp@parliament.uk <bernard.jenkin.mp@parliament.uk>; Fiona Gilmore <fjigilmore@yahoo.co.uk>
Sent: Wednesday, 8 March 2023 at 12:13:13 GMT
Subject: Re : Orsted's Hornsea Three project possibly in doubt?

Rt. Hon. Graham Stuart MP,
Minister of State for Energy and Climate
Department of Energy Security and Net-Zero

CC Sir Bernard Jenkin MP, Jerome Mayhew MP, OffSET

Dear Mr. Stuart,

Re: Orsted's Hornsea Three project possibly in doubt?

On behalf of the Norfolk Parish Movement for an OTN, the Essex, Suffolk, Norfolk (ESN) Pylons Group, and Suffolk Energy Action Solutions we are writing to draw your attention to a development that has important implications for government strategy in relation to the coordination of offshore windfarm development.

Your letter of 16th January 2023 to East Anglian communities and interested groups¹ states that a number of offshore wind developers in the region already "have connection contracts in place with National Grid Electricity System Operator (ESO) and the Government will not, and cannot, force changes to these contracts". Leaving aside for a moment the obvious error in this statement, we note that the attitude adopted in your letter contrasts sharply with that of developers of these offshore windfarm projects which are seeking radial connections through Norfolk. As reported in the Times² on Friday 3rd March 2023, Orsted is now protesting about rising costs in relation to their Hornsea 2 and 3 projects and seeking in effect to re-negotiate the Contract for Difference (CfD) agreements in place with Ofgem.

The risks inherent in the CfD agreements were freely accepted by Orsted at the time of negotiation. Bearing in mind the UK's legally binding commitment to its Net Zero targets, it is not appropriate for the offshore wind industry to seek to exert pressure on the content of the UK budget in this way. As the Minister responsible for protecting consumers from inflated energy costs we expect that you will adopt an equally robust approach and oppose such attempts by Orsted and others should they arise in future.

We are heartened that, as stated in your letter, you are "committed to finding ambitious solutions within this energy transformation, minimising negative impacts on communities while building a cheaper, greener and more secure energy system for Britain." The current situation, which is likely to cause offshore windfarm developers to delay their final investment decisions and pause their projects, would appear therefore to provide an exceptional opportunity for your Department to conduct a thorough review of the more efficient options for bringing ashore offshore wind generation.

We believe it would be essential in such a review to consider the option of a fully integrated offshore transmission network as envisioned by National Grid and the Offshore Wind Industry Council³. Such a solution would, we calculate, provide a faster route to Net-Zero, provide significant cost benefits from

reduced capital expenditure, curtailment and constraint payments and would also reinforce the onshore grid. It would also reduce the burden on electricity consumers of future CfD payments, rather than compounding them with additional costs to the general taxpayer as requested by Orsted.

We would be most grateful for your diligent and urgent consideration of this matter. We believe the whole country will expect you to seize this opportunity to at last deliver a solution that provides the best possible outcome for the environment, for communities and for consumers.

Bearing in mind the UK's legally binding commitment to its Net Zero targets, it is not appropriate for the offshore wind industry to seek to exert pressure on the content of the UK budget in this way.

We look forward to hearing from you.

Yours sincerely,

Sandra Betts (correspondence)/ Alison Shaw
Norfolk Parishes Movement for an OTN

Rosie Pearson
Essex Suffolk and Norfolk Pylons Group

Fiona Gilmore
Suffolk Energy Action Solutions

References

1. Letter to East Anglian communities and interested groups, Rt. Hon. Graham Stuart MP, 16th January 2023.
2. Rising costs could 'block wind farm', The Times Business Section, Emily Gosden, 3rd March 2023
3. Integrated Offshore Transmission Project (East) National Grid et al. August 2015.