



By email to <a href="mailto:Minister.Bowie@energysecurity.gov.uk">Minister.Bowie@energysecurity.gov.uk</a>

21 July, 2023

Andrew Bowie MP
Minister for Nuclear and Networks
Department for Energy Security and Net Zero (DESNZ)
1 Victoria Street, London SW1H 0ET

Dear Mr Bowie,

## Re: An Offshore Grid - Better for Consumer Pricing, Faster to Net Zero

There has been much media coverage recently about possible onshore infrastructure in East Anglia and the alternative of an offshore grid. **SEAS** and **Essex**, **Suffolk**, **Norfolk Pylons** are writing jointly, seeking to correct the misleading costings being presented by National Grid, for offshore solutions vs current onshore plans. These numbers hinder Government's attempts to select the transmission network design for East Anglia, best able to deliver on Government's goals. Vattenfall's decision this week to halt work on Norfolk Boreas reinforces the reasons for switching to a more cost efficient offshore grid without any further delay.

## 1. Correcting National Grid's Costings

NG ESO's Dec 2020 report 'Offshore Coordination Phase 1 Final Report' concludes there would be a c.£6bn (19%) saving across the whole of the UK (referred to in 25 June BBC Politics East by MP Jerome Mayhew²), by using an offshore grid compared to a radial solution.

Specifically for East Anglia, the same report calculated a saving of c.£2bn (30%), with c.£5.3bn Capex for an integrated offshore network¹ vs overall costs of c.£7.5bn Capex for a radial approach. This report takes into account the full synergies and asset cost efficiencies that offshore integration can bring. These figures are themselves based on the Nov 2020 report for NG ESO by DNV consultants 'Cost Benefit Analysis of Offshore Transmission Network Designs' ³.

Yet, in recent media coverage, National Grid (NGET) claimed that its Norwich to Tilbury pylons would cost £794m vs £4.1bn for an 'offshore' alternative (25 June BBC Politics East²). These figures are misleading and disingenuous, crudely suggesting onshore is cheaper. NGET's so-called 'offshore' option is not a sensible network design (it starts at Norwich and wends its way across Norfolk before reaching the coast), and NGET's onshore cost listed is only for one small part of a bigger picture. The Norwich to Tilbury pylons proposal is the end result of years of unplanned, piecemeal, radial wind farm connections, and the actual cost of this outdated network design, as mentioned above, is c.£7.5bn. We are concerned that NGET's agenda threatens Britain's ability to select the network design best able to achieve Government's overall goals.





# Why does NGET not acknowledge and stand behind the figures and conclusions provided in NG ESO's analysis report of Dec 2020?

The report's conclusions are clear, an offshore grid is >£2bn better value, requires only 50% of the infrastructure of a radial solution, and offers significantly reduced impact on environment and communities. With current plans everyone loses (apart from National Grid and SSE) and consumers are short-changed. East Anglia's peak energy demand is a tiny fraction of what is to be generated, the power needs to be kept offshore and taken where it's required, London and the South East. An Offshore Grid with landfall at brownfield sites, reduces delays associated with onshore consenting processes and can be operational by 2030-32. It's not too late to choose this better solution.

NGET are not thinking holistically or long-term about East Anglia, yet for evidence to support our argument above, we submit their recent 4 July press release for the offshore subsea HVDC cable superhighway 'Eastern Green Link 2', Carl Trowell, National Grid's President of UK Strategic Infrastructure stated: "This new infrastructure will connect more clean, renewable energy from where it's generated to where it's needed, helping contribute to lower energy bills over the long-term and make the UK's energy more self-sufficient." <sup>4</sup> We agree.

## 2. Concerns about NG ESO's independence prior to FSO creation

NGET's recent figures supporting their current design plans, disregard the conclusions of NG ESO's Dec 2020 numbers and make misleading comparisons to favour their own agenda, as opposed to offshore solutions more beneficial to consumers and wider Government goals. This questions NGET's involvement in the OTNR process and NG ESO's upcoming review. In addition, NGET are failing to follow the Treasury's Green Book guidelines<sup>5</sup> as noted in KC Charles Banner's opinion 'Great Grid Upgrade Norwich to Tilbury' <sup>6</sup>

NGET claim to care about value for money, being a regulated company who need to observe the National Policy Statements and the terms of their license<sup>7</sup> however, the misleading costings suggest that in practice their behaviours are driven more by their ultimate CEO and shareholders.

NG ESO's reliance on NGET for costing numbers, including for its upcoming review, compromises NG ESO's ability to act independently, which in turn means that the best transmission network design solutions may be overlooked in favour of ones more profitable to National Grid.

#### 3. The Case for Bradwell

Since our 18 May meeting, we trust you and your team have had time to review the SEAS' summary numbers for Bradwell as a site to bring power onshore, and have noted the significant cost saving of c.17% if Sealink is obviated in the network design. We repeat that Sir John Whittingdale and his constituents in Bradwell are open to this opportunity which would be a catalyst for coastal regeneration.





We ask you to continue to engage with us directly on these issues, as we act on behalf of the many East Anglian constituents we represent, who are rightly dismayed at the way East Anglia has been excluded from fair treatment in the OTNR process. The best solutions for East Anglia need to be considered for the benefit of consumers across Britain.

We request a meeting to discuss these issues and the Bradwell case in more detail. It would be useful to include Ofgem and Fintan Slye from ESO in these discussions. We can meet at any time and happy to meet in London if you cannot get to Suffolk. Looking forward to hearing from you.

#### Our best wishes

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