

**OFGEM INITIAL PROJECT ASSESSMENT OF THE
OFFSHORE HYBRID ASSET PILOT PROJECTS**

**RESPONSE ON BEHALF OF
WALBERSWICK AGAINST LIONLINK**

A. INTRODUCTION

1. This response is drafted on behalf of Walberswick Against LionLink (“**WALL**”) in respect of Ofgem’s consultation on its Interim Project Assessment of the Offshore Hybrid Asset (“**OHA**”) pilot projects (“**the IPA**”).
2. WALL is a local campaigning organisation formed by a group of Walberswick residents opposed to the Applicant’s LionLink proposal.¹ WALL is particularly concerned about the potential for LionLink to make landfall at Walberswick on account of the environmental, social and economic harm that it would cause.
3. It is WALL’s position that any final decision to fund the LionLink project would be contrary to Ofgem’s principal objective for the reasons given below.

B. LEGAL FRAMEWORK

4. Section 3A of the Electricity Act 1989 provides materially as follows (emphasis added):

(1) The principal objective of the Secretary of State and the Gas and Electricity Markets Authority (in this Act referred to as “the Authority”) in carrying out their respective functions under this Part is to protect the interests of existing and future consumers in relation to electricity conveyed by distribution systems or transmission systems

¹ <https://www.wall-update.org>

(1A) *Those interests of existing and future consumers are their interests taken as a whole, including –*

(a) their interests in the Secretary of State's compliance with the duties in sections 1 and 4(1)(b) of the Climate Change Act 2008 (net zero target for 2050 and five-year carbon budgets)

(b) their interests in the security of the supply of electricity to them; and

(c) their interests in the fulfilment by the Authority, when carrying out its designated regulatory functions, of the designated regulatory objectives

*(1B) The Secretary of State and the Authority shall carry out their respective functions under this Part in the **manner which the Secretary of State or the Authority (as the case may be) considers is best calculated to further the principal objective**, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.*

(1C) Before deciding to carry out functions under this Part in a particular manner with a view to promoting competition as mentioned in subsection (1B), the Secretary of State or the Authority shall consider –

(a) to what extent the interests referred to in subsection (1) of consumers would be protected by that manner of carrying out those functions; and

*(b) **whether there is any other manner (whether or not it would promote competition as mentioned in subsection (1B)) in which the Secretary of State or the Authority (as the case may be) could carry out those functions which would better protect those interests.***

(2) In performing the duties under subsections (1B) and (1C), the Secretary of State or the Authority shall have regard to –

(a) the need to secure that all reasonable demands for electricity are met;

(b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under this Part, the Utilities Act 2000, Part 2 or 3 of the Energy Act 2004, Part 2 or 5 of the Energy Act 2008 or section 4, Part 2, sections

26 to 29 of the Energy Act 2010, Part 2 of the Energy Act 2013, the Nuclear Energy (Financing) Act 2022 or sections 245 to 247 of the Energy Act 2023; and

(c) *the need to contribute to the achievement of sustainable development.*

(3) *In performing the duties under subsections (1B), (1C) and (2), the Secretary of State or the Authority shall have regard to the interests of–*

(a) *individuals who are disabled or chronically sick;*

(b) *individuals of pensionable age;*

(c) *individuals with low incomes; and*

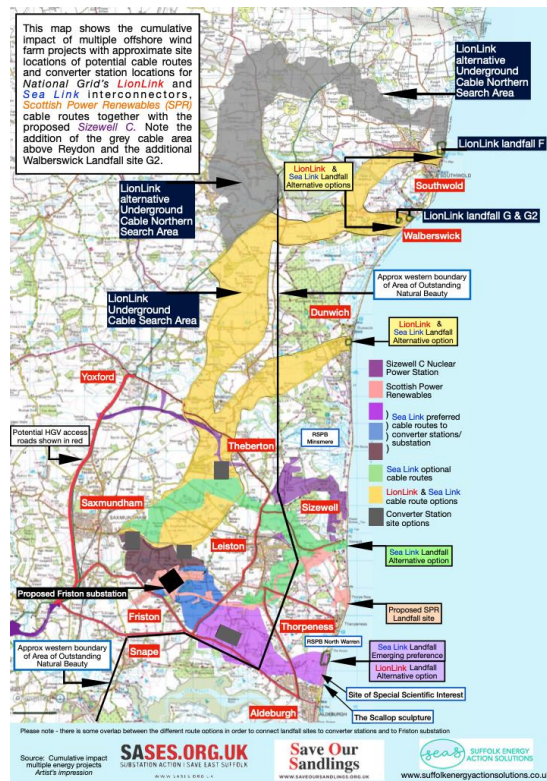
(d) *individuals residing in rural areas;*

but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.

C. WHY LIONLINK DOES NOT MEET THIS OBJECTIVE

5. WALL is not inherently opposed to offshore wind and interconnector development. WALL is also not inherently opposed to the principle of OHA insofar as they are described by OFGEM in the IPA as providing “*the potential for increased coordination and the more efficient use of transmission assets in comparison to standalone point-to-point interconnectors*”. The problem is that LionLink (as currently proposed) is clearly not the best means of achieving such coordination. In reality it is one of multiple *uncoordinated* offshore and energy infrastructure projects which are blighting the Suffolk Coast, as illustrated by the diagram below.²

² Taken from the website of Suffolk Energy Action Solutions:
<https://www.suffolkenergyactionsolutions.co.uk/wp-content/uploads/2023/09/Energy-routes-incl-Lionlink-Sep23.pdf>

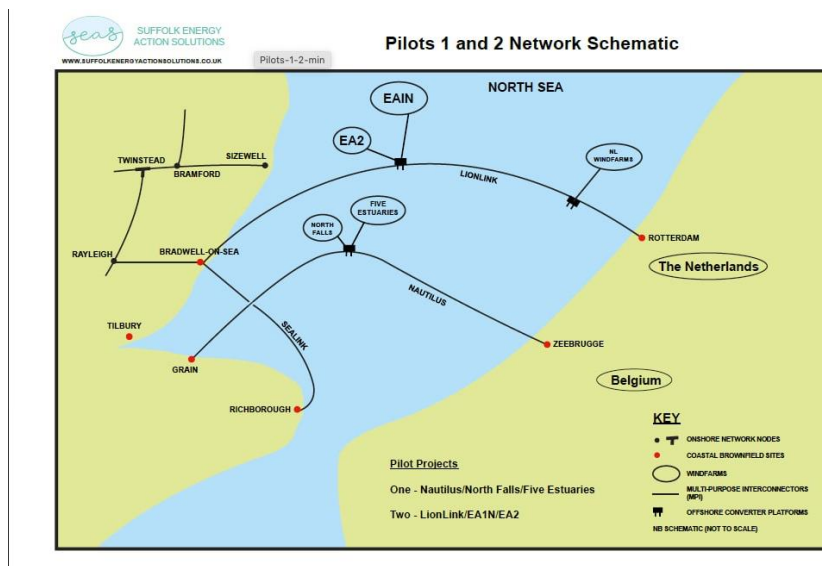


6. If OFGEM truly wishes to promote the increased coordination and the more efficient use of transmission assets, then it should be promoting a scheme which includes offshore integration of energy producing assets and interconnectors (via an offshore grid) with a single landfall at an existing brownfield site. This is precisely the way forward which is being promoted by Suffolk Energy Action Solutions (“SEAS”) along with a host of other individuals and organisations including a network of MPs and the RSPB. WALL wholeheartedly supports SEAS’s approach, full details of which can be found on its website.³

7. The advantages of such a scheme are numerous. Current projects (including LionLink) require significant new onshore infrastructure to be delivered at some of the UK’s most sensitive ecological and environmental sites, with significant social, economic and environmental costs. The extent of this infrastructure (and these constraints) also create significant risks to the deliverability of these projects. The use of an offshore grid and brownfield onshore connectors would also enable greater future capacity to be built into the network than would currently be possible in the more sensitive coastal sites.

³ <https://www.suffolkenergyactionsolutions.co.uk/the-way-forward/>

8. In fact, LionLink (if done properly) offers an opportunity to pilot such a scheme by connecting offshore to Scottish Power’s EA1N and EA2 windfarm projects and taking this energy onshore at a suitable brownfield site (e.g. Bradwell) which is closer to where the energy will be used. This would remove the need for EA1N and EA2 to make separate landfall and remove the need for onshore infrastructure in sensitive coastal location. Such a scheme has already been worked up in detail by SEAS and OFGEM is directed to SEAS’s website for further information on this.⁴ A diagrammatic representation of such a pilot can be found below:



9. Moreover, it is worth recalling that in NGV’s⁵ consultation Report on LionLink in March 2024, it defended its proposal for landfall in an AONB (as opposed to at an existing brownfield site) as follows:

A landfall study area between Aldeburgh and Pakefield/Lowestoft was identified as appropriate for consideration due to the grid connection point identified in the Leiston area. As a result, there is no opportunity for the project to wholly avoid the Natural Landscape

10. This is an absurd situation, which suggests that because a grid connection has been selected for Leiston there is no scope for considering other, less harmful connection points. This is a reflection of the complete lack of coordination in this process. Further evidence

⁴ <https://www.suffolkenergyactionsolutions.co.uk/lionlink/>

⁵ NGV is promoting the LionLink project.

of this can be found in the fact that no provision has been or is being made for a joint connection with the SeaLink project, despite the SeaLink EIA Scoping Report highlighting the potential for this (p.36).⁶ The only way in which OFGEM can properly address this woeful lack of coordination is to decline to approve this pilot and make the promoters re-think.

11. The IPA states that it is based (in part) on analysis conducted by the NGENSO (§1.19). It is noted that NGENSO published its East Anglia Network Study in March of this year, which includes consideration of a Bradwell connection.⁷ However, NGENSO's options analysis is deeply flawed for reasons which have been repeatedly pointed out by SEAS (and others). SEAS's full analysis and response is annexed at **Annex 1**. In summary, NGENSO has not considered the coordination of offshore generation and its costs analysis is limited to transmission costs and does not include any other infrastructure costs – which would obviously be substantial for other alternatives, including the costs of substations, cable trenches, compulsory purchase, mitigation and social economic costs.
12. WALL considers that there are similar flaws in the IPA, particularly in relation to Hard to Monetise (“**HtM**”) impacts. It would appear that there has been no proper assessment of wider impacts of the proposal, such as landscape noise and other matters (§5.2, p.50). Indeed, given this, Arup rightly scored these impacts as red in its RAG rating. The IPA claims that OFGEM subsequently downgraded these impacts to amber following its own “*further considerations*” (§5.3). It is not clear what these considerations were or how they could possibly justify a change in the scoring in the absence of any detailed (even high level) assessment of these key impacts. Such impacts will be very significant as detailed in the non-statutory consultation response from East Suffolk Council (attached at **Annex 2**).⁸

⁶ <https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/EN020026/EN020026-000048-EN020026%20-%20Scoping%20Report%20-%20Volume%203%20-%20Figures.pdf>

⁷ <https://www.nationalgrideso.com/document/304496/download>

⁸ WALL does not necessarily agree with all of the points made by East Suffolk, but its response is included to illustrate the obvious harm which would arise based on the council's own technical consideration.

13. Taking all of the above into account, the funding of LionLink (as it currently stands) would not be consistent with OFGEM's statutory objective because:
- a. It is not in the interests of consumers to have an energy connection which unnecessarily harms vast swathes of environmentally sensitive land and has significant associated economic and social costs.
 - b. For similar reasons the onshore infrastructure which is currently required for LionLink (both alone and in combination with other projects) would not amount to (or contribute to the achievement of) sustainable development.
 - c. There clearly is another manner in which OFGEM can carry out its functions which would better protect the interests of consumers – namely the offshore grid to brownfield connection alternatives summarised above.

D. CONCLUSION

14. For the reasons given above, WALL considers that OFGEM should not approve the pilot project for LionLink.

BEN FULLBROOK

LANDMARK CHAMBERS

25 April 2024