

# LEIGH DAY

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**Ofgem**

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**OUR REF:** RGA/JEK/01154590/1

**DATED:** 30 May 2024

**By email only:** [cap.floor@ofgem.gov.uk](mailto:cap.floor@ofgem.gov.uk)

Dear Ofgem

**Re: Offshore Hybrid Asset consultation**

We write on behalf of Walberswick Against LionLink (“**WALL**”) in respect of Ofgem’s consultation on its Interim Project Assessment (“**IPA**”) of the Offshore Hybrid Asset pilot projects (the “**Consultation**”).

On 25 April 2024, WALL submitted a response to the Consultation which set out its position that any final decision to fund the LionLink project would be contrary to Ofgem’s principal objective for the reasons given (the “**First Response**”). We note that since the First Response was submitted, Ofgem has published additional data in relation to the supporting analytical reports from NGESO and Arup, and extended the consultation deadline to 31 May 2024. This letter seeks to respond to the additional data, and particularly to the Arup Multi-Criteria Assessment Framework Report (the “**Arup MCAF Report**”) which relates to submissions made in the First Response. Please consider this letter, plus the First Response, as WALL’s response to the Consultation.

Response to the Arup MCAF Report

At paragraph 12 of the First Response, WALL outlined a number of flaws in the IPA, particularly in relation to Hard to Monetise (“**HtM**”) impacts. The Arup MCAF Report purports to address these impacts at Appendix 1 of the report.

WALL maintains that there remains limited evidence or analysis to support the assessment of the HtM impacts. This is particularly concerning in circumstances where some of these impacts have been categorised (see table 13) as red (noise, landscape and others) and amber (local community), and environmental impacts as green, with little explanation as to why.

In respect of LionLink, page 36 of the Arup MCAF Report explains that:

*“It is acknowledged that the projects are at an early development stage. However, the developer only relatively generic information for some of the hard-to-monetise impact indicators.*

- **Environmental impacts:** The developer provided evidence of

*environmental impacts consideration in the selection of the sites for the projects (for both the transmission and generation assets). It also indicated the appointment of external advisors to conduct all the analysis and surveys required to successfully clear the permitting and consenting procedures it will undertake.*

- **Local community impacts:** *The developer did not provide much information on potential impacts on local communities, partly because landfall points are still under investigation. The developer confirmed the appointment of external consultants to manage community engagement.*

- **Noise/disturbance:** *Similarly, little detail was provided with regards to potential noise/disturbance associated with the project.*

- **Landscape:** *Likewise, whilst it can be inferred that landscape impacts have been considered in the identification of suitable sites for the projects, little information was provided.”*

As the report acknowledges, “Hard-to-monetise impacts are important to capture because they can influence whether a project proposal is successful when considered against planning and environmental policy” (p.32). Despite the acknowledged importance of such impacts, only “generic information” has been used. WALL considers it to be right that some of the HtM impacts are red, and WALL supports that analysis. However, in respect of the environmental and local community impacts, which could be significant given the potential landfall locations, it is absurd to grade these as green because the developer has considered impacts for site selection and because external advisors have been appointed to analyse them. Consideration of impacts does nothing to lessen them.

In view of the above, WALL maintains the position set out in the First Response and does not consider that the Arup MCAF Report remedies the errors previously identified. The document does not add anything of substance to the analysis in the IPA and does not lend support for the LionLink project. On the contrary, WALL submits that the Arup MCAF Report underlines the concerns raised by WALL in its consultation response.

Please confirm safe receipt to the contact details in the letterhead above and inform us as soon as practicable if you have any questions.

Yours faithfully



**Leigh Day**