

Dear Mr Sharvill,

Re: Consultation on the proposed regulatory funding and approval framework for onshore transitional Centralised Strategic Network Plan 2 projects

The following is the response to the above consultation from Deeside Against Pylons, a community group in north-east Scotland, working with others to secure a re-think about the proposed solution to the challenge of exporting energy from Scotland to the rest of the UK and beyond as part of the drive to NetZero.

You suggest that you want to hear from the public and yet fail to make the fact of the consultation visible in ways that are accessible to the public. One month, now extended by two weeks, at the peak holiday time of the year, does not afford anyone other than a well-resourced full-time organisation the capacity to absorb and understand your proposals, to discuss them with others and to formulate a detailed response. For volunteers, seeking to speak on behalf of anxious rural communities, your process structurally disadvantages us. This problem is compounded by the fact that, at the date of writing, OFGEM has 18 live consultations on their website.

You appear to have a dedicated space on your website called “Citizen Space”, the purpose of which is apparently to seek views from the public on ongoing consultations. On this page (which is not clearly signposted), there are currently two such consultations, not including this one.

It is surely telling that neither our local Member of Parliament nor our Member of the Scottish Parliament were aware of this particular consultation as late as 16th August.

This sense conveyed by this approach to consultation, and by language used throughout the report, is that OFGEM regard their role as to enable Transmission Operators (TO) to achieve quicker, less regulated delivery of their projects ;“Our overarching objective for the proposed framework is to support the TO’s in progressing projects in line with their initial delivery plans so that they can be delivered by their optimal dates as identified by ESO”. (p7). The strong impression created is that the balance of OFGEM’s interest is in the TO/Electricity System Operator (ESO) rather than consumers. Supporting that view is the fact that, more widely, the only publicly floated suggestions relating to communities and speeding the process up are to further erode the rights of communities to participate in the process at the appropriate points. There is no sense that such participation is regarded as a positive opportunity.

This in turn leads to a sense throughout the paper that “cost” is taken as meaning nothing more than the financial cost of the raw materials and labour involved in delivering a particular project, and that cost to the consumer is simply about the level of electricity bills. For those directly affected by these projects, the costs involve a wider range of considerations, including our health and mental health, our life choices, the impacts on tourism, business, agriculture, and impacts on the environment, and on the landscapes that we bequeath to our children. Given that you are a consumer-led regulator, we would want to see these elements of the cost equation given significantly more emphasis in your analysis, and in the demands you make of ESO/TO.

The marginalisation of communities in this entire process occurs from the start. The transitional Centralised Strategic Network Plan² (tCSNP2) (“Beyond 2030”) appears to have been decided upon and published without any public consultation. In this document ESO sets out its plan which identifies specific projects, in specific geographic locations around the UK. By simply incorporating those individual projects into its own narrative, OFGEM legitimise them as an established set of decisions (albeit subject then to a process of “refresh”), and they develop a momentum that communities do not have an opportunity to challenge until way too late into the process (i.e. at the latter stages of the consenting process when the Detailed Design has been virtually completed and all alternatives discarded).

The public consultation is effectively meaningless because Ministers are being told that all these knowledgeable, professional, technically capable organisations agree that this work needs to be done. It’s only NIMBYs that are stopping it. Where are these plans/projects being tested against public and community interest at a stage where it could actually make a difference?

Once OFGEM include them in their framework, the individual projects are already legitimised and the questions are about how we fund them and when, rather than whether they are the right project in the right place.

The Electricity Network Commissioner’s Report in 2022 and the subsequent TAAP sought to reduce the timeframe for transmission projects to seven years. Among the recommendations were plans to reduce the time for consultations and to remove the Scottish planning authorities’ ability to trigger a Public Inquiry. The suggested compensation plan, that is still not resolved, involves derisory sums.

Q1 Do you agree with the our assessment of the tCSNP2 and the risks that we have identified?

Broadly yes. The challenge is how do you open up the tCSNP2 Refresh to a wider scrutiny by the public? This is the critical point at which to engage citizens who opt in to expressing a view. Otherwise, once it arrives at OFGEM the projects will, as already described, assume a settled legitimacy, that minimises discussion of options from that moment forward.

We are pleased to see the acknowledgement of uncertainty around the Future Energy Scenarios (FES), the possibilities of reform arising from the Review of Electricity Market Arrangements (REMA), and the need to resolve the problems with the balancing regime. There needs to be an independent element to the assessment of how “refreshed” project proposals are consistent with those developments as they become crystalised over the coming months and years. One puzzling aspect of tCSNP2, which we would hope to be resolved by REMA, is the extent of renewable generation planned for the north of Scotland for “export” to England and beyond. The logical use of renewable is to have generation capacity close to demand, rather than generation in the north of the country for demand in the south requiring thousands of

kilometres of transmission lines. This seems to introduce a totally unnecessary risk to the holistic ET plan for the UK. It is our view that many of the current projects therefore, will be unnecessary as a consequence of such reforms to the market.

At para 3.27 you comment on the “significant risks to consumers from locking in immature project designs and delivery dates too early, before there is a certainty of need and the optimal design has been identified.” More comprehensive and more imaginative engagement of communities at these early stages of conception and design are key to preventing these risks from materialising. In our view, evidence of those risks materialising is clearly to be found in the current TKUP 400 kV OHL project that was neither in HND nor the NOA Refresh, and yet has been proposed by SSEN, and latterly supported by OFGEM, to meet its own commercial needs. This is the wrong solution to whatever transmission problem they are trying to solve. We look at SuedLink and SuedOstLink , for example, and wonder why others in Europe seem able to respond to concerns and solve challenges in a way that garners widespread acceptability, while the UK seems unwilling or unable to do so?

The presumption for HV transmission remains overhead lines on pylons which are bound to raise major concerns for the affected communities. As an engineer it seems obvious that the solution for long distance HV transmission is offshore HVDC which obviates the delays caused by extensive consultations and objections and reduces the need for compensation.

The other significant and related risk which is a major concern is the fact that the Scottish Government is encouraging vast amounts of onshore and offshore wind generation with no consideration of the required grid connection. There are already far more projects being considered than appear in tCSNP2. Energy policy is reserved but this seems to flout that and introduces the potential for major constraint payments. It is hoped REMA might help to alleviate this risk.

Q2 Do you agree with our proposals for a development track?

Q3 Do you agree with our proposals for a Development Track?

Q4 Do you agree with our proposals for the “Small/ Medium sized Project Delivery Track?

As you will note, we do not accept the premise of the proposal in the sense that it enables ESO and TO's to set the agenda and to define the projects that (subject to your caveats) become the subject of discussion for the remainder of the process. Our contention is that communities should be more involved earlier on. This might not change which track individual projects are assigned to under your criteria, but at the very least presents an opportunity for a wider sense of fairness and legitimacy around the projects that get taken forward. It could also be argued that the processes proposed appear to operate greatly in the interest of the TO's, absolving them of appropriate commercial pressures that would possibly result in more thoughtful design and better technological solutions.

There is also a general concern about the price bases used to cost projects. TO's, in our experience, justify solutions based on costs that are not comparable. The narrative about the whole life costs of pylons versus sub-sea solutions is, for

example, based on costings that are now historical, include or exclude different elements of associated infrastructure and are simply not based on like for like comparisons. It would be interesting to understand how the linear model you propose intends to update indicated costings for each project over time.

In that context, the process you propose appears rational.

Q5 Do you agree with our categorisation of tCSNP2 projects?

Yes, given that most of the proposed projects appear in the “Development” category, suggesting they require significant further work, and to be reassessed against REMA, FES, balancing mechanism etc. This category presents OFGEM with an opportunity to be much more assertive and proactive about the nature and content of consultation that these projects need to be subject to before they come back to OFGEM, via ESO, for reappraisal. The current approach of leaving it to the TO’s to consult effectively clearly isn’t working.

The “Delivery” projects are more concerning. The defined Price Control Delivery outputs state that for BKUP, PKUP and SHL2, the submission of planning applications should be submitted by the end of 2026, and for DSUP by the end 2027. Here again, is an opportunity to be more proactive on behalf of the consumer in specifying what timeline and what outcomes you seek from public engagement as part of the funding agreement.

Q6 Do you agree with our proposed approach to the tCSNP2 asset classification projects?

The obvious concern here is the lack of costing information. We would prefer to see an approach, rather than simplifying your process by bringing offshore projects onshore, which assumed a starting point for many more projects as being offshore. In the context of the adjournment debate at Westminster and comments by Justin Tomlinson, it seems as though it is a settled view among policy-makers that the mindset around current presumptions and preferred options is no longer fit for purpose and needs fundamental challenge. Such a reframing would, in our view, help in tipping the balance away from commercial interest and back in favour of the consumer.

Q7 Do you agree with our approach to identifying a project for early competition?

The process itself is perfectly sensible. Again, the key is to involve communities likely to be affected by the chosen project (they will all by then have community-based organisations such as DAP acting in their favour so identification of consultation partners will not be difficult) in the process of designing the tender. This truly is an opportunity for us to do something differently and more effectively.

Q8 Do you agree to our approach to identifying a first project for early completion?

Why not engage communities in developing your shortlist? Otherwise, in the context of the answer to Q7, yes.

Q9 Do you agree with our expectations for TO's and ESO?

Again, it is disappointing that there is no view around how communities can and should be engaged in any part of this process. The impression left again, is that TO's do consultation simply as part of the consenting process, rather than as part of the design process. The Scottish Approach to government talks about designing public services in a collaborative, assets based and co-productive way, engaging communities effectively and early to ensure that participation and equality are precursors of effective service delivery. We support that approach and believe that OFGEM could mandate new and creative approaches that will, in the end, remove barriers from the consenting process.

This set of expectations should be much more clearly focussed on the wider strategic consumer interest, than reverting to the simple view of consumer interest being about how we deliver the movement of electricity most cheaply.

This is the stage at which OFGEM should also be driving a requirement for the completion of Strategic Impact Analysis (under regulations). It is not necessary to lay out case law and other opinion about what is a "project", what is a "programme", what is a "plan" and whether there is a way around this process. The right thing to do, and a key means of ensuring the public have a chance of understanding what is being proposed and how it will affect them, is to have such an assessment completed and placed in the public domain for consultation.

Crucially, a comprehensive assessment of the cumulative impacts of the entire programme of work should be available for public consultation and participation. This could be a key process in securing public approval for the programme as a whole, its selection of individual projects, and choices about the most appropriate technology, from the outset.

The need for, and scope of, such an assessment is mandated by the judgment in *Finch v Surrey County Council and Others*, decided in the Supreme Court in June 2024. The operators will no doubt want to minimise any impact on the renewables sector but we believe the judgement drives them towards needing to provide a significantly more inclusive assessment of both up and downstream impacts of this national programme.

In conclusion

In conclusion, the thrust of our response is a request for new and inclusive ways of engaging communities earlier in these processes. Currently presenting them as settled decisions, where all you want to know is whose garden to put the pylon in, is no longer sufficient to meet the needs of a more activist and a more informed community. We don't want to be invited to take part in these discussions that fundamentally affect our lives, we have a right to be part of those discussions. We also don't want to be passed between ESO, TO's, government (Scotland and UK)

and OFGEM, being told that the responsibility for listening to us belongs to someone else. Frankly, at times each of you presents as a powerless victim of a process where decisions lie in other's hands.

You are our champions and we pay for you to stand up for our interests, our health and our futures. This moment represents an opportunity for another "refresh" – an OFGEM-led rebalancing of everyone's contributions as we all seek the same prize, a just transition to a healthier, more sustainable world.

Our organisation is ready and more than willing to be part of any discussion about the way forward – we are an asset to you, not a problem to be ignored or overcome.

