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Date: 5th February 2025
Our Ref: ESC response to Ofgem consultation – RIIO3 Call for Evidence
Enquiries to: Grahame Stuteley
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Re: East Suffolk Council's response to Ofgem Consultation - Call for evidence on the electricity transmission, gas transmission and gas distribution business plans for RIIO-3 (18th December 2024 – 10th February 2025).

East Suffolk Council (ESC) understands that Ofgem are seeking views and evidence from stakeholders on any aspect of the network companies' Business Plans (BPs) for potential consideration in the RIIO-3 Final Determinations. We have reviewed the RIIO-3 Call for Evidence consultation materials (with focus on Section 1.4 RIIO-T3 Plan for East Anglia' and provide the following comments for consideration by Ofgem as part of this process.

This consultation relates to Ofgem's agreed price controls which ensure that monopoly network companies, who run Great Britain's gas and electricity networks, continue to act in the best interests of energy consumers. ESC understands that Ofgem use the RIIO (Revenue = Incentives + Innovation + Outputs) framework to set these price controls. It is also understood that in order to set the next price control (RIIO-3), Ofgem require information from the network companies on the activities that they intend to undertake over the period 2026 to 2031 and their associated forecast costs and outputs which forms the basis of the BP provided to Ofgem by the network companies.

ESC wishes to highlight that it is extremely important that Ofgem fully considers the environmental and social costs introduced by proposed energy projects set to connect to the national grid within a pre-determined area, based on need and existing network capacity. Often, a high-level strategic assessment informs the initial need case argument which then filters down to connection offers and project promoters who then seek to find appropriate sites to deliver the projects within that area.

ESC continues to engage on a large number of energy and transmission projects at different stages of the consenting process, being planned for delivery within our district over the next decade. It is clear that there is a large disconnect between the planning process and the financial influences steering connection offers, with costs to the end consumer carrying more weight in the decision-making process than the identified planning constraints raised in consultations for a proposed connection location. ESC also remains disappointed that offshore connection options are not being fully explored due to cost, resulting in a significant amount of additional impact being imposed on the local communities within East Suffolk, many of whom are already fighting a barrage of development which will heavily impact their local communities for generations to come.

It is apparent that whilst cost is an important factor for the end consumer (being Ofgem's primary consideration), it trumps the significant environmental, community and social harm the development in this

rural district can produce. The piecemeal approach to development within our district also highlights the lack of a coordinated approach to upgrading our energy systems, taking a more holistic view in the lead up to meeting the Government's national targets on energy and climate change. Such an approach has been found to pay lip service to the diligent work of the Council and its communities.

Ofgem therefore must factor the huge social, environmental, and economic impacts of imposing an energy superhub onto our countryside (without consultation or any assessment of cumulative impacts). Any proper cost/benefit analysis should quantify these impacts. It is extremely important that Ofgem fully consider the environmental and social costs in addition to the economic costs for future projects. It is crucial for public perception of all these projects that Ofgem does not begin to be seen as failing to enable infrastructure that benefits communities and environment, in the same way as Ofwat.

ESC recently met with the new Suffolk Coastal MP, Jenny Riddell-Carpenter, and will be seeking to meet with government officials to once again press the case for a change in approach, to look for coordination and the development of other approaches, including an offshore ring main, to enable the country to decarbonise whilst introducing the least amount of harm possible on its rural communities. ESC will also be requesting a face-to-face meeting with Ofgem to enable them to explain their approach, with particular focus on how Ofgem will manage future communications and engagement with the local communities set to host or neighbour the proposed development within East Suffolk.

ESC understand that Ofgem expect companies' BPs to appropriately reflect stakeholder views and needs and ensure they are at the heart of their plans, being assessed by Ofgem over the remainder of 2025. ESC trusts this letter provides a brief insight into our concerns and we look forward to engaging further as deemed necessary.

Yours sincerely,

Cllr Tom Daly | Cabinet Member for Energy and Climate Change
East Suffolk Council