Suffolk County Council

Mr Nick Pittarello Ofgem 10 South Colonnade Canary Wharf London E14 4PU

Enquiries to: Phil Watson – SCC Strategic Energy Projects Manager

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Date: 14th August 2024

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Dear Mr Pittarello,

Consultation on changes to the Initial Project Assessment of the Nautilus Offshore Hybrid Asset

Suffolk County Council has made a response to the specifics of this consultation by the regulator, without prejudice to its publicly stated objections to the Lion Link and SEA Link projects.

The County Council is deeply disappointed that the regulator has refused to permit an alternative brownfield location, outside Suffolk, to connect the Nautilus project, which would have significantly reduced the cumulative adverse impacts of energy infrastructure on the people, and environment of the county.

However, the council considers that the connection of this project in Suffolk will, because of specific local circumstances, face additional difficulties and consequent additional costs, that should be recognised by the regulator. Should the project proceed, this recognition will be essential during the consenting process, to secure a just transition for the people of Suffolk, and to recognise both the need for a human centred approach to the energy transition and the additional costs this entails, as has been the case elsewhere in the world¹.

Therefore, the Council's response relates to question 2 of the consultation: *Do you think that Ofgem should be considering any other factors for the Nautilus project in light of the material changes in connection location, and capacity?*

Suffolk County Council recognises that the principal duty of the regulator is to manage the costs of energy infrastructure for UK consumers. However, notwithstanding the significant additional network costs associated with connection at the Isle of Grain, which the regulator suggests can be mitigated by connecting the project in Suffolk, the Council considers that the regulator should be cognisant, in making its recommendation, that connecting the project in Suffolk will, because of specific local circumstances, be likely to incur additional costs over and above those that might normally be anticipated for a project of this nature.

¹ https://assets.kpmg.com/content/dam/kpmg/au/pdf/2024/human-side-of-energy-transition.pdf

Suffolk County Council considers that these additional costs are likely to arise in the following areas:

- The need for the Nautilus project, in combination with the SEA Link and Lionlink projects, to deliver an exemplary and coordinated design solution, for both the construction and operation of their proposals. Therefore, it would be reasonable to expect additional costs to be incurred, over and above that which might normally be expected by the regulator, particularly in relation to the design, engineering and layout of the emerging proposals for the proposed shared converter station site, adjacent to the town of Saxmundham.
- 2. The need for the Nautilus project in combination with the other projects, to manage a complex consenting process, and therefore to require more complex, and coordinated engagement with local stakeholders, to ensure a fair process, with a consequent increase in consenting costs.
- 3. The need for a comprehensive, fair, and effective approach to compensation for property owners, and other interested parties. whose interests may be adversely impacted by the construction and operation of this project alone, or in combination with, other projects.

The absence of either an effective scheme for the compensation of property owners, or most critically and urgently, <u>a published mechanism to facilitate the sale of</u> <u>property by those who have an urgent or overriding need to sell</u>, should, in the opinion of Suffolk County Council, be remedied at the earliest possible opportunity. It is suggested that mechanisms employed in relation to high-speed rail (HS2) and the scheme operated by National Highways², should form the basis of a similar approach for all transmission infrastructure that is identified as a Critical National Priority.

Given the accumulation off such infrastructure in East Suffolk, and the significant impact this has on communities and their well-being, the County Council requests that the regulator instigate a pilot scheme in the county to protect and safeguard the wellbeing of property owners and occupiers, in relation to a pressing need to sell, as soon as possible.

4. Finally, whilst the council remains opposed in principle to the return of this project to Suffolk, if it is to go ahead, it remains Suffolk County Council's position that it should be, as far as possible, integrated and coordinated with other projects. Therefore, Suffolk County Council notes with interest, that the regulator is proposing to modify the ASTI framework for the Norwich to Tilbury project, to facilitate and expedite the coordination and delivery of transmission and generation infrastructure, at the Norwich Main substation³.

The Council considers that this regulatory flexibility should also be applied to the projects proposed for connection in East Suffolk, should they proceed, to maximise coordination between them, in terms of timing and construction processes. The Council considers that this would yield significant benefits in the reduction of harm, both temporary and permanent, from the construction and operation of the proposed bootstrap and MPI projects. For example, similar regulatory flexibility could, provide

² https://nationalhighways.co.uk/media/0o3jzsqz/your-property-and-discretionary-purchase.pdf

³ <u>https://www.ofgem.gov.uk/consultation/norwich-tilbury-early-construction-funding-consultation</u>

sufficient flexibility in relation to the 2030 ASTI licence requirement, to create an opportunity to:

- i. Ensure that the Nautilus and Sea Link projects have a fully coordinated cable corridor for both the direct current and alternating current sections, which would significantly reduce the impact of construction, and the permanent impact of both the cable corridors.
- ii. To allow the SEA link project to explore and develop alternative arrangements for access to the converter station site that are properly integrated with other energy projects, and therefore less harmful to the environment and communities.
- iii. Coordinate these projects effectively with emerging generation proposals, that have received connection offers, as published on the Transmission Entry Capacity Register, for the consented Friston 400KV substation

In summary therefore, the Council considers that the regulator has both the opportunity, and arguably a moral obligation, to ensure that if, despite local objections, a lot of critical national priority infrastructure must be hosted by the same community, that it does everything it reasonably can to minimise and mitigate the harm to that community. The Council considers that not only would such an approach be beneficial to the communities and environment of East Suffolk, but it would also provide a template for the wider energy transition to be fairer, and more coordinated, than it is at present. This has always been essential, and is now all the more so, given the new government's ambition to decarbonise the electricity system by 2030, instead of 2035.

The County Council has made a response to the specifics of this consultation by the regulator, notwithstanding its objections to the SEA Link and Lion Link projects, and its yet to be formally confirmed stance on the Nautilus scheme, now that its landfall and connection appears to have reverted to Suffolk.

Yours sincerely,



Richard Rout

Deputy Cabinet member Nationally Significant Infrastructure Projects