1-3 Strand
London WC2N 5EH
www.nationalgrid.com

nationalgrid

National Grid Ventures Limited
1-3 Strand
London WC2N 5EH

Mr G Leigh

Secretary of State for Business, Energy & Industrial Strategy

[redacted]

Department of Business, Energy & Industrial Strategy

Energy Infrastructure Planning

BY EMAIL ONLY

Eurolink Multipurpose Interconnector (the Project)

Request for Section 35 Direction (the Request)

Planning Act 2008 (the Act)

National Grid Interconnector Holdings Limited (NGIHL) is writing to request that the Secretary of State for Business, Energy & Industrial Strategy (BEIS) grants a direction under Section 35 of the Act that the Project is of national significance and is to be treated as an infrastructure proposal for which development consent is required.

This Request constitutes a qualifying request for the purposes of the Act and compliance with the requirements of the Act are demonstrated below.

Introduction

NGIHL is promoting the Project, which comprises a high voltage direct current electricity link with capacity of up to 1.8GW between the national transmission systems (NTS) of Great Britain and the Netherlands. In addition to providing an electricity link between the British and Dutch transmission systems the Project will provide for transmission from offshore wind farms to the NTS in each country via the electricity link.

The Project is located partly in the territory of Great Britain and partly in territory of the Netherlands, but NGIHL is promoting and seeking consent for that portion of the Project within the territory of Great Britain only.

The Project will be the second interconnector between Great Britain and The Netherlands, the first being the existing BritNed interconnector.

The Applicant

NGIHL is part National Grid Ventures; the competitive division of National Grid plc. It operates outside of National Grid's core regulated businesses in the UK and US where it develops, operates and invests in energy projects, technologies and partnerships to accelerate the development of our clean energy future.

Given the nature of the Project, it may be promoted by another National Grid plc entity, or through a joint venture arrangement whereby a third party promotes the Project. As such, this request is not expressed to be personal to NGIHL or any other party and focusses upon the Development.

NGIHL's Dutch partner in promoting the Project is TenneT.

The Project

Interconnectors are high voltage cables that are used to connect the NTSs of neighbouring countries. The Project comprises a Multi-Purpose Interconnector (MPI), which also provides for the connection of Dutch offshore wind farms to the interconnector and which may include an offshore connection point (as anticipatory investment) to allow British offshore wind farms to connect to the interconnector in the future. The Project is shown in Figure 1 below, but this image does not show any of the potential elements of the Project which may come forward as anticipatory investment. The Project will enable Dutch offshore wind, interconnection and the potential for future British offshore wind to work together and to function as a pathfinder to a more integrated grid.

MPIs make the integration of future offshore wind developments more efficient and better value by utilising the existing interconnector for grid access. By co-ordinating offshore wind and interconnection, MPIs are able to deliver the benefits of both technologies whilst mitigating the impact of new infrastructure on local communities and users of both the terrestrial and the marine environments. NGIHL is promoting the Project as a potential pathfinder project as part of the National Grid Electricity System Operator (ESO) Pathfinder process. The commercial and regulatory positions for the Project will be considered more closely through the Offshore Transmission Network Review (OTNR) in order to arrive at the optimal solution.

The objective of the Project is to connect the British and Dutch NTS and provide the additional option to connect offshore wind generation, for the purpose of achieving the energy security and supply benefits that come with multi-purpose interconnection at this scale.

It is not the Project as a whole, but the UK sections of the Project, which NGV seeks to be designated as development for which development consent is required pursuant to the Act. The Project benefits from a grid connection offer to connect to a substation in the vicinity of Leiston, Suffolk.

The UK section of the Project is expected to comprise the following key components, as shown in Figure 1 below:

1. subsea electricity cables from the limits of the UK limits of the continental shelf to a landfall point at the mean high-water mark at the UK coast;
2. underground HVDC electricity connection from a landfall point at the mean-low water mark at the UK coast to an onshore electricity converter station;
3. an onshore electricity converter station;
4. HVAC electricity connection from an onshore converter station to a substation in the vicinity of Leiston, Suffolk; and
5. substation in the vicinity of Leiston, Suffolk.

The UK section of the Project may also include provision for one or more offshore connection points comprising:

1. the installation of HVDC transmission cables between future offshore windfarms and between future offshore windfarms and one or more switching stations and/or converter stations;
2. the installation of HVDC transmission cables between one or more switching stations, one or more converter stations, transmission infrastructure and the HVDC interconnector cable;
3. one or more offshore platforms housing switching stations that may be required as a junction point for HVDC transmission cables;
4. one or more offshore platforms housing converter stations required to transform alternating current into direct current for transmission through the HVDC interconnector cable;

It is anticipated that the UK sections of the Project may include associated development and that the Development Consent Order may make provision for ancillary matters, including a deemed marine licence.

Other elements of the Project which are not subject to this Request comprise the following key components:

1. the installation of HVDC cables in Dutch waters from the limits of the Dutch continental shelf;
2. the installation of offshore generating stations and/or offshore converter platforms in Dutch waters from the limits of the Dutch continental shelf;

3. the installation of onshore HVDC and HVAC cables between a converter station in the Netherlands and offshore cables (HVDC) in Dutch waters.

At this stage, in respect of the UK sections of the Project, various options for the above components are still being explored including routes and connection points and these will be subject to consultation.

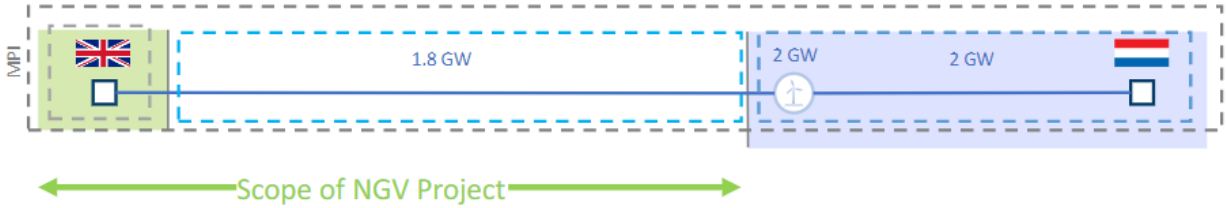

Figure 1: Overview of the Project (Note: this image does not show any potential UK offshore connection points which may come forward as anticipatory investment)

Reason for the Request

The UK section of the Project comprises both an offshore and an onshore component. It is preferable for the Project, consultees and the decision maker to consider the consents required for each element through one streamlined consenting process. Given the linear nature of the Project, it is also likely that NGV would require compulsory purchase powers to ensure that it would be able to compulsorily acquire the land, and rights over land, required to deliver the Project. The Project would also benefit from a well-defined and clear consenting process with a fixed timescale for determination to ensure that it can be delivered before 2030 and meet the Government's objectives in respect of interconnection. These benefits are offered by the DCO process but not the local consenting process.

There is also the potential for the Project to need to address some potentially complicated issues of co-ordination with existing and proposed projects, connection points and cable routes in the vicinity. Again, our view is that the DCO process provides the best forum for such matters to be dealt with efficiently.

Issuing a Section 35 direction pursuant to the Request is required to provide certainty as to the relevant consenting regime for the Project, given its national significance. Without the Section 35 direction, it is likely that the Project will be subject to significant delay.

The Request

We request that the Secretary of State provides a direction for the UK section of the Project to be treated as development for which development consent is required pursuant to Section 35(1) of the Act.

We request that the direction issued by the Secretary of State confirms, pursuant to Sections 35ZA(3)(b) and 35ZA(5) of the Act, that:

an application for a consent or authorisation mentioned in section 33(1) or (2) of the Planning Act 2008 for the UK section of the Project is to be treated as a proposed application for which development consent is required;

the provisions of or made under the Act apply in their entirety to the UK section of the Project;

the energy National Policy Statements apply to the development subject to this Request, and that any application should be determined in accordance with Section 104 of the Act; and

to the extent that any consultation carried out by the applicant prior to the date of a Section 35 direction complies with the requirements of Part 5 of the Act (or any legislation made under that Part), those consultation

requirements shall be treated as having been complied with notwithstanding that the consultation was carried out prior to the date of the direction.

The Project is of national significance and the reasoning for this is set out below.

NSIP Status of the Project

Under Section 31 of the Act, development consent is required where infrastructure proposals are, or form part of a NSIP. Under Section 14(b) and Section 16 of the Act, the installation of an electric line only is, or forms part of, an NSIP where that electric line is above ground.

Qualifying Request

The Request is a qualifying request for the purposes of Section 35ZA(11) of the Act.

For the purposes of Section 35 of the Act, we confirm that the primary components of the UK section of the Project:

forms part of a project (or proposed project) in the field of energy and so satisfies the condition in Section 35(2)(a); and

will (when completed) be wholly in England (or waters adjacent to England up to the seaward limits of the territorial sea or the UK Renewable Energy Zone) and so satisfies the condition in Section 35(2)(b).

For the purposes of Section 35ZA(1) of the Act, we confirm that no application for a consent or authorisation mentioned in section 33(1) or (2) has been made in relation to the Development to which the Request relates.

By virtue of Section 35(2)(c), the Secretary of State must think that the project (or proposed project) is of national significance, either by itself or when considered with one or more other projects (or proposed projects) in the energy field. The following section sets out the national significance of the project and the other projects in the energy field to which it relates.

National Significance of the Project

The Government has recognised the important role that international electricity interconnectors play in a facilitating a secure, stable and clean energy system. The Government has similarly identified that, in the context of rapid development of renewable energy projects, careful consideration of connection and collaboration between projects is fundamental to a successful, efficient network with minimal impact on the environment and local communities. The Government's policy objectives in this regard are summarised below.

Not only will the Project enable the transmission of up to 1.8GW of power between the British and Dutch NTSs, it will also connect offshore wind and enable offshore wind and interconnection to work together as an integrated grid. By providing a combined connection for offshore wind farms, the Project will allow multiple offshore wind farms to be linked to a single connection point offshore.

Therefore, the Project delivers on three core planks of the Government's energy strategy: it facilitates renewable energy generation; it addresses the issue of unreliability of renewable energy supply and it provides the security, stability and costs savings that are associated with interconnectors, contributing to the aim, as set out in the draft revised E-NPS, to realise at least 18GW of interconnector capacity by 2030; and it is a step towards a more coherent and therefore more efficient connection system.

The ability to transition to a clean energy system depends on the support of projects such as this which secure stability and facilitate interconnection. It is vital that the Project is delivered in the 2020s to enable the Government to meet its 2030 interconnector target and other renewable energy targets which may rely on

projects like this one. The Project would benefit from a well-defined and clear consenting process to ensure it is assessed efficiently to be brought forward in the 2020s.

By way of comparison to the Project, the Act provides that generating stations with capacities of respectively 50, 100 and 350 MW each constitute infrastructure projects of national significance. By its transmitting capacity, the Project far exceeds this threshold.

The below section sets out how the Project will contribute to nationally significant legal requirements and policy objectives.

Legal Requirements

The Climate Change Act 2008 introduced a legally binding climate change mitigation target for the UK to reduce its greenhouse gas emissions by 80% by 2050, compared to 1990 levels. This was amended to a legally binding target of 100% by 2050 through The Climate Change Act 2008 (2050 Target Amendment) Order 2019. The Committee on Climate Change's (the CCC) sixth carbon budget (running from 2033-2037), which will require a 78% reduction in emissions from 1990 to 2035, was introduced in April 2021.

The Project is an important pillar which will support the clean energy system that the Government needs to put in place to meet these legislative requirements.

Policy Objectives

The Clean Growth Strategy leading the way to a low carbon future dated October 2017 (the Clean Growth Strategy) identifies the investment in new electricity interconnectors as a measure to keep prices low for consumers, and identified a need for significant new investment for the early to mid-2020s. The Project will lead to investment in a new electricity interconnector.

The Government's Ten Point Plan for a Green Industrial Revolution dated November 2020 (the Ten Point Plan) identifies the need to integrate clean technologies like offshore wind and to transform the UK's energy system to support this. Point 1 of the Ten Point Plan is aimed at advancing offshore wind. The Project will ensure that the UK benefits from the advancement of offshore wind and clean technologies.

The Government's National Infrastructure Strategy dated November 2020 (the NIS) identifies that in order to reach Net Zero by 2050 the power system will need to be virtually carbon free and significantly larger to cope with the additional demand from electrification in transport, heating and some industrial processes. The NIS identifies that this expanded system will require increased investments in network infrastructure, sources of flexibility, such as interconnection. The Project will provide this flexibility and network infrastructure and will aid with this objective.

The Energy White Paper dated December 2020 (the White Paper) identifies that interconnection increases the ability of the British electricity market to trade with other markets, enhances the flexibility of our energy system and has been shown to have clear benefits for decarbonisation. The White Paper also contains a commitment to work with Ofgem, developers and European partners to realise at least 18GW of interconnector capacity by 2030. The Project will contribute to this objective.

The White Paper also considers the potential of hybrid, MPIs, which it notes are already being explored by developers in the UK and the Netherlands, to get the most from our offshore wind and transmission assets. It is noted that these hybrid projects could integrate the transmission links we need to connect offshore wind to our grid with interconnectors to neighbouring markets and to import electricity through cross-border trade. Again, the Project will contribute to this objective.

Alongside the White Paper, BEIS commissioned Aurora Energy Research to prepare a report on the decarbonisation implications of electricity interconnection at a European regional level, in both the near- and longer term, as decarbonisation policies are implemented in the UK and across Europe. The energy modelling identified that an increase in interconnector capacity between Great Britain and the EU would likely lead to: a decrease in emissions in GB and EU; a reduction in total power market cost in GB, as baseload prices in GB decrease; less thermal generation in GB, with little change in thermal generation in the EU; and less curtailment of renewable energy. The Project will aid these objectives.

The Net Zero Strategy: Build Back Greener October 2021 (the Net Zero Strategy) identifies that deployment of smart technologies and flexibility will underpin our energy security and the transition to net zero. It further identifies that flexibility from technologies such as energy storage, smart and bidirectional charging of electric vehicles, flexible heating systems, and interconnection could save up to £10 billion per year by 2050 by reducing the amount of generation and network needed to decarbonise. It also notes that the delivery of interconnection will reduce delivery risk. The Project will contribute to these objectives.

The Government's Transitioning to a net zero energy system: Smart Systems and Flexibility Plan 2021 (the SSFP) identifies that when Great Britain has 40GW of wind on the system in 2030, it will need around 30GW of low carbon flexible assets (storage, demand side response and interconnection) to cost-effectively integrate high levels of renewables. This will have increased since the target for offshore wind has risen to 50GW by 2030. The SSFP also identifies that by 2050 illustrative scenarios indicate a need for 27GW of interconnection leading to the lowest system cost. Chapter 2 of the SSFP sets out in detail the need for interconnection. The Project will contribute to these objectives.

The current suite of energy National Policy Statements (NPS) identifies that the Government expects that demand side response, storage and interconnection, will play important roles in a low carbon electricity system. The Project will contribute towards this policy objective.

The draft suite of energy national policy statements dated September 2021 (the Draft NPS) identifies that there is an urgent need for electricity infrastructure and that there are several different types of electricity infrastructure that are needed to deliver our energy objectives, noting that generating plants, electricity storage, interconnectors and electricity networks all have a role, but none of them will enable us to meet these objectives in isolation. The Draft NPS reiterates that interconnection facilitates a secure, low carbon electricity system at the lowest cost and that the UK recognises the benefits of increasing levels of interconnection and has an ambition to realise at least 18GW of existing and planned interconnector capacity by 2030. The Project will contribute to these policy objectives.

The Government's British Energy Security Strategy dated 7 April 2022 (the BESS) identifies the important role that electricity interconnectors play in maintaining stable energy markets and the security of supply and aid a transition from fossil fuel supply to clean, affordable energy. The Project will contribute to this objective.

The Government published Offshore Transmission Network Review: Multi-Purpose Interconnectors: Government Response on 25 April 2022 which demonstrates the Government's commitment to MPIs. The Government has committed to work with teams across BEIS, Ofgem and the ESO to address blockers to the development of MPIs in both the interim and the enduring solution. Directing that the Project is of national significance pursuant to the Request would remove a potential blocker to delivery of the Project.

NGV has been actively involved and participated in the OTNR, including involvement in several Expert Advisory Groups, being led by BEIS. MPIs have formed part of this review and are recognised as a pathway to a more integrated offshore grid. The outcome of the OTNR work will allow for a clear direction setting of policy to achieve co-ordination in this environment. Linked to this review, ESO has recently sought pathfinder submissions from the sector detailing opportunities for co-ordination, and NGV has made a submission to the ESO for the Project on this basis. [The OTNR is an ongoing process, and the Project's pathfinder submissions are enclosed as Appendix 1.]

Precedent

There is consistent precedent for interconnectors, MPIs or underground electricity transmission cables to be subject to directions pursuant to Section 35 of the Act. This includes the following projects: Continental Link MPI (a 1.8GW link between the British and Norwegian NTSs), Nautilus Interconnector (a 1.4GW link between the British and Belgian NTSs), Aquind Interconnector (a 2GW link between the British and French NTSs), SeaLink (a transmission connection project) and Triton Knoll Electrical System (an offshore wind grid connection project). Whilst we acknowledge that there are interconnector projects which would be more appropriately consented pursuant to the Town and Country Planning Act 1990 and marine licensing regime, we consider (for the reasons set out in this letter) that a direction under Section 35 of the Act is the appropriate

route for the Project, and we note that issuing the direction pursuant to the Request will be consistent with the treatment of other similar projects. This is without prejudice to future NGIHL projects.

Local Planning Authorities

The principal Local Planning Authority (LPA) areas of relevance to the Project are East Suffolk Council (ESC) and Suffolk County Council (SCC). ESC and SCC have confirmed that they are supportive of the Secretary of State making the directions requested by NGIHL. Should the Project extend to additional LPA areas, those LPAs would be notified during the pre-application process.

Appended to this request are letters of support from ESC and SCC.

Conclusion

This Request has demonstrated the national significance of the Project and the contribution that the Project would make to a number of critical energy and planning policies on the path to Net Zero.

By progressing the UK sections of the Project through the Act, it would provide the certainty of a single, unified consenting process with a fixed timescale for determination. It will reduce the need to apply for separate consents from the local planning authority and the MMO, and it will also remove the potential requirement to make one (or more) separate compulsory purchase order.

In addition, the UK sections of the Project will benefit from being assessed comprehensively at the same time, through the same clear process and in a consistent manner by the same decision maker, avoiding duplication of work and reducing the burden on the various consenting authorities. The EIA process would also be streamlined and more robust, and it will also simplify the consideration of any likely significant environmental effects for the UK sections of the Project, by ensuring that the UK sections of the Project are considered comprehensively by a single decision maker.

It is expected that NGV will have the benefit of permitted development rights pursuant to The Town and Country Planning (General Permitted Development) (England) Order 2015 (the GPDO) and statutory powers pursuant to the Electricity Act 1989 in due course. As is standard practice, NGV will preserve its permitted development rights within any DCO in due course.

Should you have any questions please do not hesitate to contact me.

Yours sincerely

Liz Wells MRTPI

Consents Manager – National Grid Ventures

Appendices:

1.ESC Letter dated 24th June 2022

2.SCC Letter dated 23rd June 2022