

Rt Hon Grant Shapps MP Secretary of State Department for Energy Security & Net Zero 1 Victoria Street London SW1H 0ET

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4 August 2023

Nick Winser Electricity Networks Commissioner c/o Energy Systems Catapult, 7th Floor, Cannon House, Priory Queensway, Birmingham, B4 6BS.

Dear Nick,

I am writing to thank you for the submission of your report to Government as the Electricity Network Commissioner, which sets out recommendations to accelerate the delivery of UK electricity transmission infrastructure.

This is a vital topic and a key enabler for an efficient, secure and fully decarbonised electricity system by 2035, and for the transition to net zero. The Government is grateful for the thorough and collaborative approach you have taken to developing recommendations and welcomes the package of detailed recommendations you have put forward.

As your report clearly sets out, supporting the anticipated growth in low carbon generation and demand while ensuring a secure and resilient energy system requires a transformation in the network at a scale and pace unprecedented since the mid 20<sup>th</sup> century.

We are already seeing impacts as years of world leading investment in renewable power has put pressure on the network, leading to delays in network connections, and growing costs of curtailing wind generation when network capacity is exceeded. It is essential that we accelerate the delivery of new transmission network infrastructure to meet these challenges.

It is within this context that I welcome your report, which has come at a critical time and offers useful recommendations to seize the opportunities available to accelerate the deployment of transmission infrastructure.

It is evident that you have spent a considerable amount of time and effort engaging the electricity networks industry, its supply chain, and wider stakeholders to provide this report and these recommendations. I am grateful to the many stakeholders for their valuable contributions. I also want to thank you for your engagement with other industry champions to ensure alignment across the energy sector. Your report rightly highlights the significant action Government is already taking action to accelerate network build:

- **Improving strategic planning:** The Holistic Network Design (HND), published in July 2022, provides a for the first time a strategic blueprint for the coordinated connection of 23GW of offshore wind to the network.
- Community acceptability: Throughout the transition to net zero we need to bring people along with us – including communities that host electricity network infrastructure. Government has just concluded a consultation on community benefits for network infrastructure, so communities hosting transmission network infrastructure can directly benefit for supporting the delivery of national objectives.
- Streamlining planning consent: Government has recently consulted on the revised energy National Policy Statements, with amendments reflecting the importance of strategic network planning to help bring forward new transmission infrastructure, and our National Infrastructure Planning Reform Action Plan is improving the performance of the planning process.
- **Expediting regulatory approval**: Ofgem's Accelerating Strategic Transmission Investment (ASTI) decision will speed up regulatory approvals for around £20 billion worth of key strategic transmission projects for 2030 delivery.
- **Connections reform:** Government is working with Ofgem, the System Operator and the electricity networks at both transmission and distribution level to accelerate the process for network connections and will publish a Connections Action Plan in the summer.

While good progress has been made, we recognise that further action is needed. We will build on the momentum generated from this report and target specific priority areas for immediate focus. We recognise the fundamental change needed and have committed to publishing an Action Plan this year in response to your recommendations.

We will give your recommendations full consideration in the Action Plan but I can be clear now that the direction of the package is broadly in line with the approach being taken by Government. As described above, we are already taking steps to accelerate delivery through strategic planning of the network and faster consenting and regulatory approval.

You also rightly highlight the importance of engaging effectively with people and communities impacted by electricity network build, including the need to provide sufficient levels of community benefits, and this will be a crucial consideration as we develop our response. Government also agrees that action is needed to address the challenge to network transformation posed by supply chain and skills constraints.

I welcome and would like to highlight the recommendations for industry within the report. The private sector will be critical in accelerating the deployment of electricity transmission infrastructure, and Government, Ofgem and industry will need to work closely together to realise its full potential.

In this report you have offered a positive vision for how this can be done, including through the recommendations for an Energy System Delivery Board and senior Change Management Committee. We acknowledge that new governance processes are required here, and we will look to consider options and set up the governance for the work this summer. I have asked the Minister for Nuclear and Networks to lead on this work.

Thank you again for your work as the UK's Electricity Networks Commissioner, this timely report and your recommendations.

Yours sincerely,

**RT HON GRANT SHAPPS MP** Secretary of State for Energy Security & Net Zero