

Offshore Co-ordination Project Introductory webinar

28 May 2020



Welcome

- ✓ Thank you for joining us! You will be joined in listen only mode
- ✓ Please do not unmute yourself or turn your camera on
- ✓ You can ask questions via the **chat function – please add these throughout the presentation**
- ✓ Any questions that can not be answered today will be taken away and circulated with a response
- ✓ This webinar will be recorded and circulated to all those who signed up to the session today

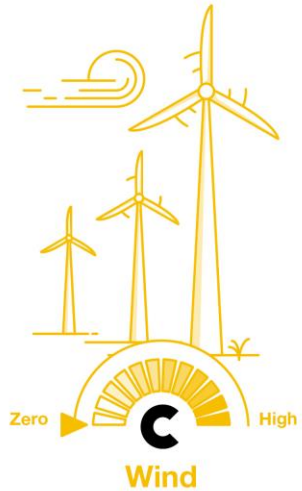
Engagement survey: please take the time to answer a few questions throughout the webinar to help drive our engagement plans



Agenda

1. Project scope, timeline & how we fit into the wider picture (Alice Etheridge)
2. Engagement plans (Chrissie Brown)
3. Question & answer session

Why are we looking at this?



Government net-zero commitments:

- 40 GW of offshore wind by 2030
- 75 GW of offshore wind by 2050

Ofgem decarbonisation action plan

- “Exploring options a more coordinated offshore transmission system to connect offshore wind generation, to achieve a rapid and economic expansion of the offshore network”
- “As a first step we will work with the ESO to ensure it can take forward an options assessment for offshore transmission”

Potential benefits of a new approach

- Issues now with the impact on coastal communities of the current radial approach
- Questions around cost-effectiveness above current levels

Objective of project

To assess and unlock barriers to the most beneficial approaches to offshore networks for consumers and local communities out to 2050, in order to deliver the Government's net zero ambitions.

As a first step, we will set out the costs and benefits of different integrated offshore conceptual network designs by October and determine the ESO's next steps to unblock barriers to achieving the recommended approaches.



A wide range of issues need considering across industry to unlock a more coordinated approach

Technology:

- Pipeline and costs
- Standards

Conceptual network designs

Commercial:

- Cost-benefit analysis
- Anticipatory investment
- Developer risk and financing
- Codes and charging

Stakeholder engagement:

- Industry
- Coastal communities
- For transparency

System requirements:

- Security of supply standards
- Impact on onshore network

Leasing regime

Policy:

- OFTO regime
- CfD regime

Regulation:

- Who pays
- Revenue mechanisms

Environmental impact

Delivery model

The scope of our phase 1 project

We propose focusing on the workstreams that need to take place at the beginning of the larger programme to inform later workstreams and the scale of potential benefits. We will consider our role in some of the previously highlighted areas such as commercial and regulatory barriers as we scope phase 2.

1) Technology readiness and cost for offshore integration

2) Offshore conceptual design, impact on Onshore Network and cost benefit analysis

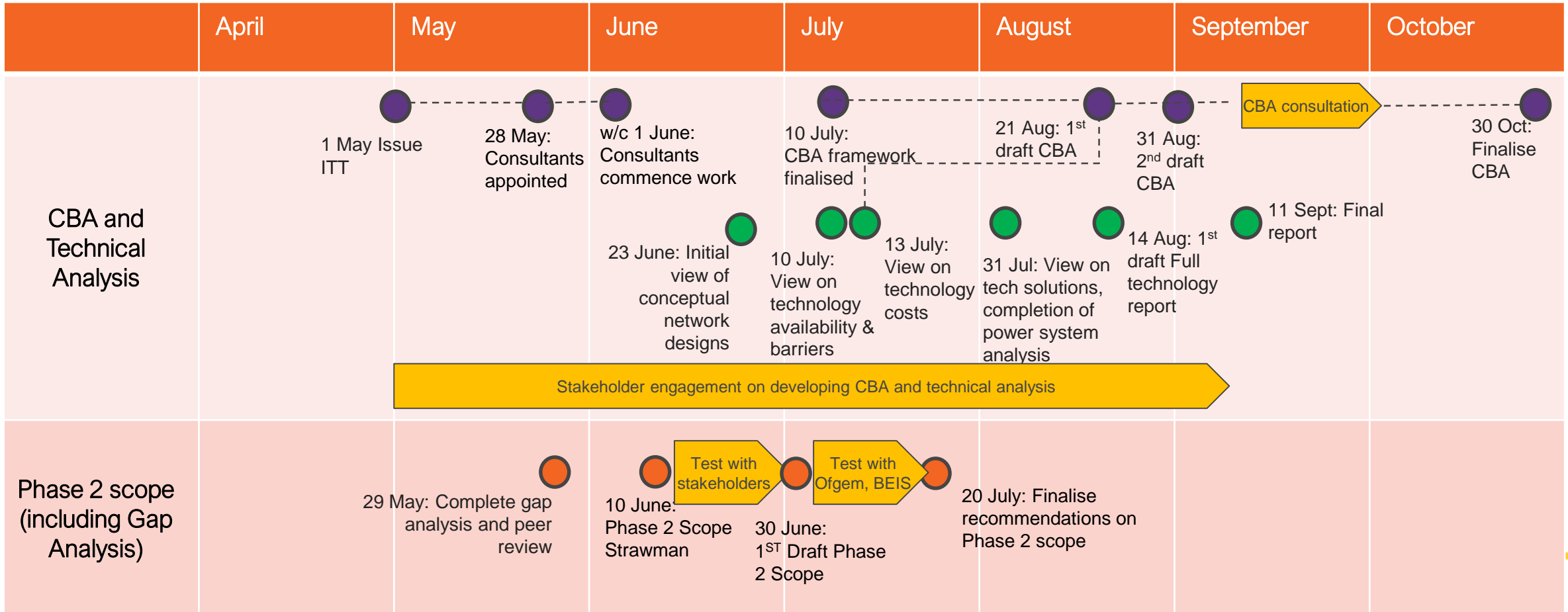
3) A review of the offshore connections process to encourage more coordination

4) Gap analysis and review of existing work

Plus collaborative stakeholder engagement

Phase 1 is planned to take place between now and the end of October

We will start the second phase before phase 2 completes. The scope will be informed by the gap analysis and conversations with BEIS, Ofgem and stakeholders.

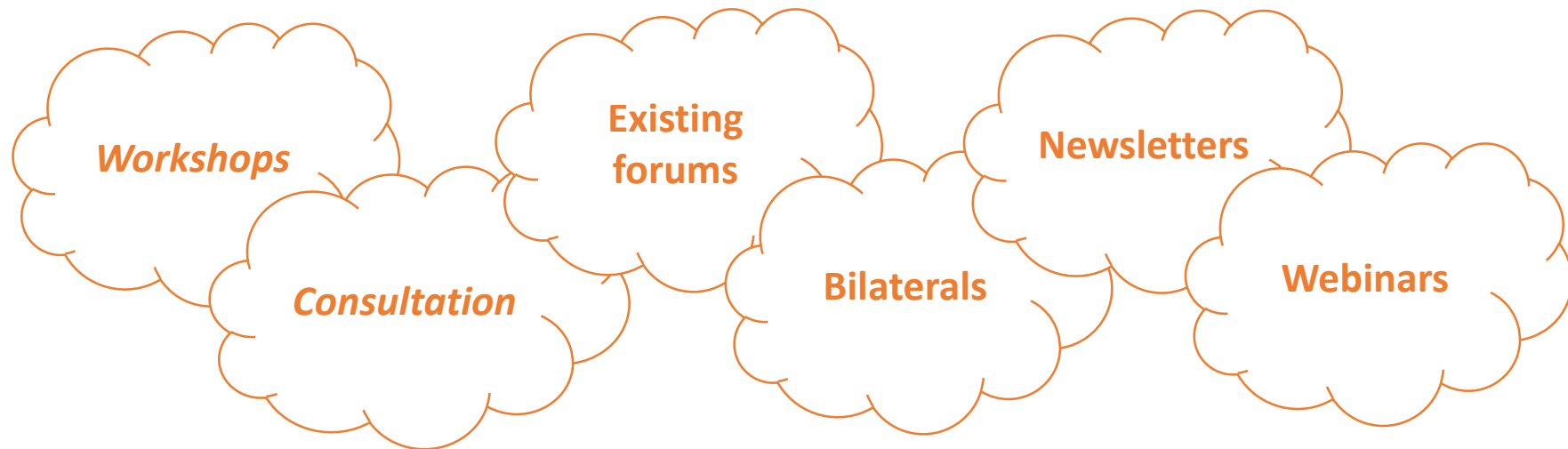
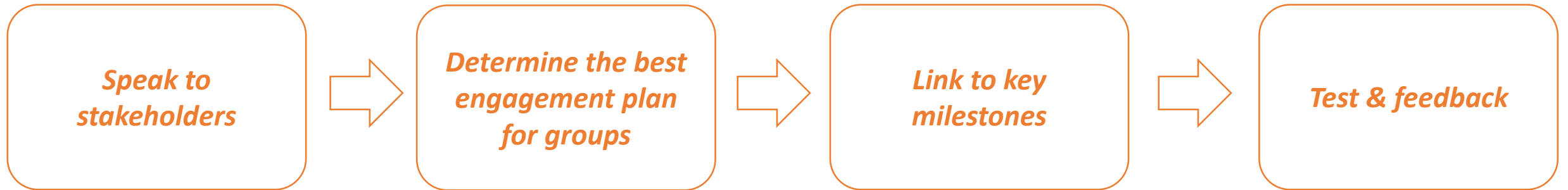


The ESO team



Engagement plans

You can help shape finding the right solution for the future



We recognise that this project crosses a number of processes and a broad range of stakeholders

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Question & answer session

Next steps

- Recording will be circulated to all of those who signed up to our session today
- Details on how to sign up to our mailing list and our contact details will be circulated
- Future sessions to be scheduled (estimate every 4-6 weeks)

Asks

- Please get in touch!
- Feedback on scope and what you have heard today
- Throughout the project feedback on our engagement and work

