

Inclusion of ScotWind in the Holistic Network Design

Context

The ESO is developing a Holistic Network Design (HND) as part of the BEIS-led Offshore Transmission Network Review (OTNR) that is supporting delivery of the Government's 2030 offshore wind targets.

The announcement of the ScotWind leasing round results on 17 January 2022 is a significant milestone on the UK's pathway to net zero. With OTNR project partners and key stakeholders we have reviewed the outcome to understand how we should approach it in the HND.

Reviewing the outcome is necessary because the ScotWind leasing round results provided further information on the location and potential scale of offshore development. The scale of the total opportunity for Scottish offshore wind further supports the need for strategic thinking around electricity network development and its part in the wider energy infrastructure.

Our conclusions from the review

- The HND will be delivered in June 2022 in line with the updated HND terms of reference and committed timescales.
- Our approach to incorporating the outcome of the ScotWind leasing round could support GB in exceeding current 2030 targets for offshore wind. Through the HND we will facilitate connection of a further 10.7 GW in Scotland. This should enable in total over 17 GW offshore wind in Scotland and nearly 50 GW across GB.
- The offshore generation mix facilitated will include both fixed base and floating wind, ensuring that GB continues to make progress on innovative technologies.
- We will include in the HND at least one project in each seabed leasing zone. This allows us to assess the value of coordination between zones and ensure that connections in the future are enabled in an efficient way.
- A follow up process to the HND is needed to produce the designs for the remainder of the ScotWind projects. We anticipate providing these projects with updated connection agreements in the first quarter of 2023.

Initial insights from successful ScotWind developers have helped us to understand more about the specifics of each project, and build on the publicly available information from Crown Estate Scotland. After careful consideration of multiple options, and in consultation with stakeholders, we have determined that the appropriate approach is to ensure the HND is published in June as planned, while delivering connection plans for at least one project in each of the Crown Estate Scotland seabed leasing zones.

Delivering the HND in June formed a key element of our decision-making process. A June date is needed to provide certainty as soon as possible to as many developers as possible so that they can keep up momentum towards the delivery of the 2030 offshore wind targets.

We believe that it is essential to plan for at least one project by 2030 in each of the Crown Estate Scotland seabed leasing zones. Doing so allows us to see the full benefits of coordination between the zones and provides a firm foundation for future developments.

The majority of ScotWind projects have initial connection agreements in place. We will take account of lease option outcomes and current connections application data to determine which projects receive their updated connection agreements first. More details for developers this relates to can be found in our recent Connection Contract Update Programme open letter¹.

We will make minor adjustments to the queue order of projects to ensure that at least one project from each zone is represented in the HND. We will make use of a staged offer process, which means connecting some of the capacity of certain projects by 2030 and the rest of it at a later date. We will continue to work bilaterally with developers to explain how their specific projects fit within the processes.

By taking this approach, it is possible for the HND to plan for the connection of 10.7 GW of the ScotWind projects. Including projects already in flight, this will take Scotland to 17 GW by 2030, in excess of the 11 GW target. We believe that this captures the momentum that the ScotWind announcement provides, while ensuring that the HND plan is deliverable within existing timeframes.

For those ScotWind projects that will be subject to a follow up process, we are committed to establishing a plan to provide updated connection agreements as soon as practically possible, with the aim of completing this by the end of Q1 2023.

This approach has been discussed within the OTNR and approved through the appropriate OTNR governance channels.

Next steps

We will continue to engage with all developers both during the HND development process and the follow up design exercise to ensure they are aware of how work is progressing and to seek technical input where appropriate. Learnings from the current process will help to inform the follow up design process.

¹ <https://www.nationalgrideso.com/document/230851/download>