



SSEP, CSNP and tCSNP2 Refresh webinar FAQs

Date: December 2024

Purpose: This document summarises the frequently asked questions (FAQs), and

subsequent answers, from the <u>webinar</u> held on 17 December 2024 to support

the consultation on the following publications:

• The Strategic Spatial Energy Plan (SSEP) draft methodology

• The <u>Centralised Strategic Network Plan (CSNP) high level principles</u>

The <u>transitional CSNP2</u> (tCSNP2) Refresh methodology

Structure:

We are grateful for the many questions submitted during the webinar and for the engagement on this topic. The FAQs are based on the most popular questions asked and themed into categories. We have provided additional information on some of these themes:

- Interactions between the SSEP baseline, Clean Power 2030, Beyond 2030, Connections Reform
- Status in planning and granularity of the SSEP
- Fuel vectors and technology types
- Transmission/distribution, interaction with Regional Energy Strategic Plans (RESP) and existing local plans
- Input data, modelling, and interactions with Future Energy Scenarios (FES)
- Environmental assessments
- Consultation processes and duration

If you require further information that has not been answered here and is not included in the methodology documentation, please contact us via <u>box.SEP-Portfolio@nationalenergyso.com</u>

Interactions between SSEP baseline, Clean Power 2030, Beyond 2030, Connections Reform

In November 2024, we advised government on which network upgrades and market and policy decisions could accelerate the development of a clean power system by 2030. In response to this advice, UK Government published the <u>Clean Power 2030 Action Plan</u> in December. The strategic energy plans (that is, the three plans of this consultation, in addition to other strategic energy





planning activities such as RESP) will take this Action Plan into account as a starting point for analysis; it will set the baseline for the electricity system beyond 2030.

Section 3.4.1 of the SSEP Methodology document discussed the baseline in detail. The SSEP baseline will be based on target capacity, which will be backed up by known projects. We will take this target capacity and knowledge of available projects to assign capacities to our modelling zones.

SSEP will consider any assets which are not included in the baseline (informed by the UK Government's Clean Power 2030 Action Plan) to ensure that they are the right option for Great Britain.

In the SSEP draft methodology, there is information on interactions with Connections Reform (section 2.8.2). We explain that, in our Connections Reform consultation published in November 2024, we recommended that the new connections queue should be aligned to the government's Clean Power 2030 Action Plan. To enable investors of projects seeking to connect to or use the transmission system in the interim period before the SSEP, we also recommended to the government that their Clean Power 2030 Action Plan should include a pathway from 2031 to 2035. You can read more about this in section 2.8.2.

The tCSNP2 Refresh assessment will take place before SSEP data will be available, which means the background will use earlier available data. The assessment will be based on the latest FES, updated for design changes to the Holistic Network Design (HND), <u>Beyond 2030</u> offshore network designs, <u>Celtic Sea</u> developments, and Innovation and Targeted Oil and Gas (INTOG) developments covered in <u>Beyond 2030</u>: INTOG. Furthermore, it will account for as much of the outputs of Clean Power 2030 as practicable.

Status in planning and granularity of the SSEP

The UK Government has stated an intention that the SSEP will have status in planning, but exactly how this will work will be a matter for planning authorities and governments, noting that planning is a devolved responsibility for some types and scale of energy assets. We are ensuring that the SSEP has the right elements to support this objective and NESO's decision on the granularity of the SSEP will be taken within this context.

Similarly, for the CSNP, the stated intention is for it to have status in planning for network projects, noting that exactly how this will work will be a matter for planning authorities and governments.

Status in planning is intended to be an advantage to projects proposed in reference to the plan.





Fuel vectors and technology types

CSNP is a framework which will consider how the energy networks will need to evolve as we move towards net zero. As mentioned in our consultation, the first CNSP will focus on the electricity transmission network. Gas transmission and any proposals for a hydrogen system are expected to be included in future iterations.

As part of this new role, NESO published the <u>Gas Network Capability Needs Report</u> (GNCNR) (6 December 2024) which presents our first independent view of Great Britain's gas transmission system – the National Transmission System (NTS) – capability to meet current and future network requirements.

The GNCNR represents a stepping-stone towards building a CSNP, which will set out a coordinated, multi-vector approach to long-term network planning across Great Britain that will accelerate the development of the Government's net zero ambitions. In the SSEP, we are considering all hydrogen assets; hydrogen production, hydrogen to power, electrolysers, transport and storage are included in the spatial evaluation.

The SSEP and CSNP will not include detailed modelling or recommendations on heat networks but will be cognisant of these in background assumptions. These will be included in the Regional Energy Strategic Plans (RESP).

Our assumptions and approach to different technology types in the SSEP can be found in the SSEP draft methodology, section 3.4.3 "Technologies considered", however there were a few more specific questions from webinar attendees. As advanced modular reactors (AMRs) are innovative technologies, the first iteration of the SSEP is considering technologies which can be spatially optimised in a strategic plan, with reliable data sources and assumptions to provide to developers. As the technology matures, future iterations of the SSEP could consider AMRs.

With regards to interconnection, we will investigate the potential benefits. If additional interconnection above that considered in the SSEP baseline is found to be beneficial, then we will consider whether any of the known challenges will affect this additional interconnection.

As part of the tCSNP2 Refresh, we will be conducting interconnector analysis as we have previously (the legacy name being 'Network Options Assessment for Interconnectors' (NOA IC)). As we move into CSNP, we are considering how to treat interconnectors and how this interacts with the SSEP approach – we would welcome your feedback on this.

Our interconnector approach requires careful consideration as this is an area determined greatly by government decision-making and priorities, including on security of supply. Our approach to interconnection is therefore intentionally open. We will consider various scenarios around the way in which interconnectors may be deployed, in order to capture and consider a wide range of





options and support government decision-making. We will engage closely with government and stakeholders as our approach around interconnectors is developed.

Transmission/distribution connection, interaction with Regional Energy Strategic Plans (RESP) and existing local plans

In terms of the definition of transmission and distribution, and treatment of technologies connecting at different voltage levels, for CSNP electricity transmission is 275kV and above in England and Wales, and 132kV and above in Scotland. The SSEP modelling does not discern between transmission and distribution connected infrastructure when creating potential scenarios. As a strategic level plan, it will consider the overall capacity for a region for a particular technology type and not consider individual projects.

From July-October, Ofgem consulted on the proposed policy framework for RESP and we are expecting Ofgem's decision on the RESP policy framework in spring 2025. The first RESP output to support electricity distribution price controls in ED3 is due in Q1 2026 meaning there will be some RESP data available to inform the development of the SSEP and vice versa.

The focus for the CSNP is transmission level, namely the investment required in transmission infrastructure and the affect local generation has on the transmission system. RESP will provide insight on what is happening at a local level (gas and electricity networks, local/city initiatives).

The SSEP is a strategic level plan, designed to set out the energy system across all of land and sea in GB. We will not be articulating at project level and are unlikely to reach a granularity to the level of Local Area Energy Plans (LAEPs) or Local Heat and Energy Efficiency Strategies (LHEES). RESP will be more suitable for considering local level plans, which the SSEP will interact with LHEES have been proposed as inputs to RESP. Ofgem will be making a final decision on the policy framework in Q1 2025 so we will have more detail then.

Input data, modelling and interactions with Future Energy Scenarios (FES)

To support the recent methodology publications, we also published a summary document (<u>Strategic Energy Planning: A Summary</u>). This explains NESO's strategic energy planning activities, how they interact with each other and with NESO and industry deliverables.

In the SSEP draft methodology (section 3.4 Economic modelling assumptions) we explain our key data inputs. These include energy system data from NESO and UK government; a wide range of cross-sectoral data sets; data from existing plans via Devolved governments and data from The Crown Estate (TCE) for Whole of Seabed (WoS). This will be outlined in a data workbook which we will publish alongside the SSEP. There may be different formats given the different sources and levels of confidentiality.

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The SSEP draft methodology provides information on how we will assess SSEP pathway options (section 5.3 Assessment of pathway options). Pathways will be assessed against their ability to achieve SSEP objectives. The principles guiding the evaluation and selection of pathway options are:

- minimising costs
- minimising spatial impact
- · maximising spatial opportunity
- achieving future policy ambitions

These will serve as the foundation for testing and evaluating different outcomes and options within the appraisal process. Using the principles as levers, we will assess the impact of various economic, spatial and policy scenarios and determine to what degree each option fulfils the three principles.

We will publish one SSEP pathway, chosen by the UK Energy Secretary from four to six pathway options, which will feed into the CSNP. The CSNP will use the single pathway provided by the SSEP to prepare network options and drive investment decisions. To account for long-term uncertainties, the CSNP will use the multiple pathways provided by the FES, alongside the SSEP to inform longer-term optioneering. This will ensure the plan produced is resilient to change. The FES also looks at natural gas, which is not in scope for the first SSEP.

In the SSEP draft methodology (section 3.5.3) we explain that our selected method for evaluating spatial factors is a modified multi-criteria analysis (MCA) approach. MCA assesses multiple criteria (that is, spatial factors) to inform a decision, encompassing constraints and opportunities associated with environmental, social, economic and technical engineering design requirements. The importance of spatial factors is assessed independently. However, there may be instances where it is necessary to assign greater importance, or weighting, to groups of spatial factors, such as whole categories or spatial evaluation pillars. For instance, weighting may be used to normalise, test specific scenarios or to reflect stakeholder sentiment towards different categories or pillars. This method is flexible, and it is important to note that it remains under evaluation and will be applied with caution and transparency if implemented.

We are aware of challenges regarding the definition of zones. We will keep reviewing them in the context of the other definitions to ensure that we are able to manage any issues that may arise.

Under the tCSNP2 Refresh, projects that meet the design requirements described in the <u>Options</u> <u>Development annex</u> will be assessed. Projects that enter the delivery pipeline will not be subject to reassessment under the CSNP unless there is a significant change to either the needs case or the project scope.





Environmental assessment

The environmental teams across the SSEP and CSNP work closely to ensure we are aligning our environmental assessments where we can. Our intention at this stage is that the SSEP Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) can inform those conducted for CSNP, in the way the SSEP will feed into CSNP. We will continue to work further on this throughout our plans' development. CSNP will take the inputs from SSEP and identify specific electricity transmission network investment required; with this scope in mind, the CSNP environmental assessments will focus on network infrastructure.

With regards to consenting, for SSEP consenting will take place for specific projects much further into the future. The intention is for the SEA and HRA being carried out on the SSEP at the strategic level to provide support for developers undertaking their own project-level environmental assessments at the consenting stage. Similarly, for the CSNP strategic level SEA and HRA will support delivery bodies in undertaking their own environmental assessments at the consenting stage.

Consultation processes

Given the scale of the work required and interdependencies between plans, we are unable to offer longer than the current consultation period without impacting delivery plans. There is a balance to be struck between maximising the time to develop quality feedback responses and the need to move at pace, having been encouraged by the UK's Electricity Networks Commissioner and others to deliver. It is important that we also allow sufficient time to consider and action the feedback we receive, for it to shape our methodologies and plans going forwards. We would ordinarily consult for four weeks but have set a six week consultation to allow for the Christmas period.

The SSEP draft methodology has been shaped by stakeholder feedback and we will continue to engage with our working groups, societal forums, and other stakeholders in the development of the SSEP to ensure it represents the interests of a representative cross-section of stakeholders. There will also be further opportunity for public consultation on the draft SSEP in Q2 of 2026.

While this is the first formal consultation on the SSEP in particular, we have been engaging with a wide range of external stakeholders throughout the development of this draft methodology consultation for the last year, including from industry, cross-sectoral and environmental representatives, UK, Scottish and Welsh governments and Ofgem. We will continue to engage with stakeholders throughout the development of the SSEP to ensure views inform the process.

One of the key SSEP considerations is societal views. In the SSEP draft methodology (Appendix 2) we set out our approach to engaging societal stakeholders, including our societal opinion survey, focus groups and societal forums.

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We have set up a strategic energy planning (SEP) Industry Working Group, which is a central engagement channel for the strategic plans and will provide a single, clear overview of all SEP projects in one place, to test understanding, gather data, insights and feedback and ensure the outputs are deliverable. It is an opportunity for industry stakeholders to challenge and review our work.

The consultation on the draft SSEP (that is, the plan itself, not to be confused with this draft methodology) will be a formal public consultation. This will be in Q2 2026 and the final SSEP will be published in Q4 2026. For CSNP, please see Page 11 of the <u>high-level principles document</u>.