



Department for Energy Security & Net Zero

Michael Shanks MP
Minister for Energy

**Department for Energy Security & Net
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Dear James,

I am writing to notify you of the outcome of my decision on continuing funding for an offshore network coordination proposal in East Anglia, forming part of the Offshore Coordination Support Scheme (OCSS).

I recognise concerns of communities where offshore energy projects could not be included in the new strategic planning approach for electricity networks, as they already had legally binding connection agreements. The OCSS was implemented to explore the possibility for such well-advanced offshore energy projects to voluntarily coordinate infrastructure.

A consortium of North Falls and Five Estuaries (offshore windfarms), and Sea Link (an offshore transmission network reinforcement) received funding through the OCSS to develop a coordinated design. The consortium was awarded funding for the 2023/24 financial year to conduct a feasibility study, with the potential for a further tranche of funding for 2024/25, subject to a review point.

Based on the results of the feasibility study, we have determined not to continue the funding for this coordination proposal. The coordinated design would delay completion of the windfarms by approximately five years, preventing them from powering British homes and business with clean energy, and would also reduce their power output. By getting more renewable energy onto the grid more quickly, we will boost our energy independence and help to deliver on our mission for homegrown clean power by 2030.

Alongside this, the study also found that the offshore connection would increase development costs by up to £890 million. Independent estimates by the Electricity System Operator (ESO) indicate the coordinated design would also result in additional constraint costs of at least £1.5 billion over the project lifetime. These additional costs, which would lead to higher consumer bills, arise from issues with managing flows on the network resulting from the delays to the windfarms and the reduced efficiency of the design proposed under the scheme.

I hope you will understand the reasoning behind this decision and that you will appreciate the work done by the consortium and the Electricity System Operator (ESO) to explore the potential for alternative transmission options, through the OCSS and the ESO's East Anglia Study.

Coordination of transmission network infrastructure remains a priority for the government, and the feasibility work funded through the OCSS has provided valuable lessons which we will use for future policy making and share with industry. In recognition of the ongoing concerns of communities in East Anglia, we continue to engage with infrastructure developers in the region to encourage collaboration between projects. This includes a working group of energy projects in the region, convened by government to encourage collaboration and reduce potential impact on communities.

Best wishes,

A handwritten signature in black ink that reads "Michael Shanks". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small dot to the right of the signature.

Michael Shanks MP
Minister for Energy