



Department for
Business, Energy
& Industrial Strategy

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The Rt Hon Greg Hands MP
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Dear Craig and Richard,

Thank you for your letter dated 25 July, regarding the joint statement from North Falls, Five Estuaries and National Grid who have voluntarily committed to exploring a coordinated network design in East Anglia. Having attended several meetings with my colleagues with constituencies in East Anglia and replied to the debate on New Pylons: East Anglia in July, I understand – and sympathise with – the significant opposition to offshore wind related infrastructure in your region.

Your letter raised some concerns about the potential final solution for coordination of these projects which could have a negative impact to the communities of Suffolk. You also raised a concern about the level of pressure being exerted on developers to commit to becoming Pathfinders.

Participation as an early opportunities Pathfinders is entirely voluntary. It is designed to support well-advanced projects where developers have the option to agree more coordinated connections. These projects will provide important learnings for future projects, inform the detailed design of the regulatory framework and will maximise the benefits for consumers, communities, and the environment. We have to date received 16 proposals. A project is selected as a Pathfinder if the proposal submitted can demonstrate that it is 'leading the way in utilising regulatory changes being developed by the OTNR to deliver real world change as soon as possible and provide important learnings for other parts of the Review'. The proposed Pathfinder must have a seabed lease and firm connection but not have planning consent.

A decision was taken not to require engagement. Many of these projects are connecting ahead of 2030 and have contractual arrangements in place. Mandating changes risks significant commercial consequences and could delay the delivery of the Government's ambition of 50GW of offshore wind by 2030.

However, we are keen that these near-term projects consider whether they can coordinate and an offering a suite of measures to enable this. These are:

- Removing policy and regulatory barriers including facilitating anticipatory investment, identified as a potential coordination blocker. Exploring changes to the Contract or Difference (CfD) Allocation Round 6 and working with ESO to enable changes to industry codes and standards to allow more coordinated connections approaches.

- Seeking to revise the National Policy Statements to place greater weight on 'coordination' in the DCO assessment process.
- The Offshore Coordination Support Scheme which commits £100m to support developers who want to voluntarily seek more coordinated connections.
- Developer engagement through working with RenewableUK to coordinate developers and progress potential Pathfinders.

North Falls, Five Estuaries and National Grid are currently exploring multiple options which may deliver a coordinated solution with the aim of reducing environmental and community impacts and providing valuable lessons learned for future projects. The work to narrow down these options is ongoing and the subject of sensitive commercial negotiations. Once a final solution is determined, a decision on the status of the proposals and if it is made a Pathfinder Project a public announcement will be made.

I hope you will find this reply helpful.

Yours ever

A handwritten signature in blue ink, appearing to be 'G Hands', with a long horizontal flourish extending to the right.

THE RT HON GREG HANDS MP
Minister of State for Energy, Clean Growth and Climate Change