



Department for  
Business, Energy  
& Industrial Strategy

**The Rt Hon Greg Hands MP**  
Minister of State for Energy, Clean Growth  
and Climate Change

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Dear Darren,

**Electricity Networks Strategic Framework: Enabling a secure, net zero energy system**

I am writing to notify you of publication today of our “Electricity Networks Strategic Framework: Enabling a secure, net zero energy system”. This document outlines actions Government and Ofgem are taking to ensure the network has the capacity to meet additional demand as we move away from expensive fossil fuels.

<https://www.gov.uk/government/publications/electricity-networks-strategic-framework>

The energy system is undergoing profound and fundamental changes. We must focus on generating cheaper, cleaner power to guarantee the UK’s continuing energy security through a decisive shift away from expensive fossil fuels. The British Energy Security Strategy provides a clear, long-term plan to accelerate this shift. It recognises the crucial role of the electricity network in this and supporting the transition, and the need for it to be transformed at scale and pace to ensure it is fit for the future - managing a significant increase in demand from new sources, such as electric vehicles and heat pumps, as well as connecting new, low carbon generation to meet this additional demand.

The Electricity Networks Strategic Framework we are publishing today, jointly with Ofgem given their key regulatory role, builds on the British Energy Security Strategy commitments and other key goals to set out a vision and framework for the future electricity network. It describes what we are doing to develop a policy and regulatory environment that ensures that the network in Great Britain enables net zero, is increasingly secure and resilient, and delivers value for money for consumers. The government and Ofgem are committed to ensuring the costs of upgrading the electricity network are kept as low as possible – we expect the overall cost impact on consumers to be broadly neutral as we replace other energy sources with electricity.

To meet our vision we must balance the significant increase required in new, resilient physical infrastructure with maximising the potential of smart, flexible solutions – such as storage and demand reduction - to reduce infrastructure requirements and therefore system costs. Among the commitments in the British Energy Security Strategy that this Strategic Framework provides more detail on is the move to a more strategic, holistic approach to network planning. The recently published Holistic Network Design sets out the strategic approach to planning the offshore and onshore transmission network to meet the Government’s ambitions of connecting up to 50GW of offshore wind to the electricity grid by 2030. Over the next two years network planning will evolve iteratively into a single Centralised Strategic Network Plan for the electricity transmission network. The Strategic Framework also sets out how we will deliver more certainty and better, faster outcomes from planning and consenting processes for the transmission networks and Ofgem proposals to speed up its regulatory approval framework, ultimately streamlining the end-to-

end delivery process to ensure projects can be delivered simultaneously to reduced timescales and less disruption. This Strategic Framework describes measures to reduce costs and timescales for new connections to the electricity network, for example for electric vehicle charging infrastructure or battery storage projects.

The document also allows us to publish, for the first time, analysis that the Department has undertaken on the level of investment needed to prepare the electricity network for net zero. BEIS modelling suggests that, while investment required to meet our 2050 net zero target could lead to an additional £40-110bn of network costs, the unit cost (cost per kWh of electricity consumed) is expected to stay broadly the same or even decrease as overall electricity demand increases due to electrification of heat, transport and industry. The overall impact on consumers will depend on other key components that make up energy bills, for example cost reductions as a result of moving away from fossil fuels. The Treasury's Net Zero Review suggested that the average electricity bill in 2050 for a household with an electric vehicle and a heat pump could be broadly similar or even lower than the average electricity, heat and transport fuel costs for a household in 2019 with an internal combustion engine vehicle and a gas boiler.

We also publish analysis showing that reinforcing Great Britain's onshore electricity network to meet net zero could directly support up to 130,000 additional FTE jobs across the UK by 2050. This could contribute up to £11bn of GVA for the UK economy. The benefits of this will be seen in the short-medium term - we estimate that up to 20,000 new jobs could be created in load-related reinforcement projects in the electricity networks sector by 2035, generating up to £1.5bn of GVA for the UK economy.

Alongside this publication, Government is publishing the response to our August 2021 consultation on competition in electricity networks. This affirms the Government's commitment to competition in network build to deliver greater efficiencies for consumers, as included in the Energy Security Bill. It also confirms that Ofgem will publish by the end of 2022 a list of strategic transmission projects that will be exempted from competition, delivering on the commitment in the British Energy Security Strategy to enable key network projects to be built at pace to support delivery against our renewable generation targets. We expect the introduction of competition in onshore electricity networks to save consumers up to £1 billion on projects tendered over the next 10 years.

<https://www.gov.uk/government/consultations/competition-in-onshore-electricity-networks>.

Secondly, Government will publish a Call for Evidence on Land Rights and Consents for electricity network infrastructure. The Call for Evidence is seeking information on the role of land rights and consents in the build of electricity network infrastructure, including whether current processes are fit for purpose.

<https://www.gov.uk/government/consultations/land-rights-and-consents-for-electricity-network-infrastructure-call-for-evidence>.

Yours ever,

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

**THE RT HON GREG HANDS MP**

Minister of State for Energy, Clean Growth and Climate Change