House of Commons

Welsh Affairs Committee

Grid capacity in Wales: Government response to the Committee's First Report of Session 2022–23

Third Special Report of Session 2022–23

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Welsh Affairs Committee

The Welsh Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Secretary of State for Wales (including relations with the Senedd Cymru—Welsh Parliament).

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Tonia Antoniazzi MP (*Labour, Gower*) was also a Member of this Committee during this inquiry.

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Evidence relating to this report is published on the inquiry publications page of the Committee's website.

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The current staff of the Committee are Edward Hicks (Second Clerk), John Hitchcock (Committee Specialist), Sarah Ioannou (Clerk), Chloe Jago (Senior Media Officer), Lucy Morgan (Committee Specialist), Anwen Rees (Clerk), Kelly Tunnicliffe (Committee Operations Officer), Saminah Turk (Committee Operations Manager).

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Third Special Report

The Welsh Affairs Committee published its First Report of Session 2022–23, Grid Capacity in Wales (HC 218) on 21 October 2022. The Government's response was received on 20 December 2022 and is appended to this report.

Appendix: Government Response

Introduction

The UK Government welcomes the House of Commons Welsh Affairs Committee report that was published on 21st October 2022 following its inquiry into Grid Capacity in Wales. We wish to thank the Committee and all those who provided evidence to it. This inquiry leads on from the Welsh Parliament's Climate Change, Environment and Infrastructure Committee Report on renewable energy in Wales which found a barrier to renewable energy development in Wales is grid capacity and connecting to the grid.

Electricity networks are vital to meeting current energy needs and to achieving the target of net zero emissions by 2050. The Government published the Electricity Networks Strategic Framework: Enabling a secure, net zero energy system in August 2022, jointly with Ofgem, which sets out the policies and regulations that the Government and Ofgem are putting in place to transform the electricity networks at pace for a net zero, energy secure future across Great Britain.

The Government will continue its action in key areas including strategic planning, regulatory approval, planning consents and streamlining connections across Great Britain including Wales to enable this transformation. The following response sets out the Committee's recommendations, and the UK Government's response to each.

Export capability

Recommendation 1: ***We recommend that the Government explain the timescales of "today" and "tomorrow" in the context of grid capacity in Wales. Further to this we recommend that the Government explains the evidence for its statement that the electricity grid in Wales is "fit for purpose today" in light of the evidence we have received on grid constraints in Wales. The UK Government must work with the Welsh Government to produce an agreed assessment of current electricity grid capacity in Wales and set out the agreed timetable for publication.*** (Paragraph 41)

It is worth noting at the outset that constraints are a normal part of a healthy electricity network system, as expanding the network to remove all constraints would never be cost efficient. However, excessive constraints need to be avoided and the Government recognises the challenges faced in Wales and welcomes the evidence provided to this Committee's inquiry on this matter.

Network regulation, including ensuring sufficient investment in network infrastructure to meet the predicted increase in electricity demands due to electrification of transport, heat and other sectors, is a matter for Ofgem, as the independent regulator. Ofgem uses the

price control framework ('RIIO') to ensure that network companies can provide sufficient network capacity to carry renewable generation and meet net zero at the lowest cost to consumers. The Government supports Ofgem's core priority to help the UK achieve net zero emissions by 2050 while maximising value for customers. The Government will continue to work closely with Ofgem and the Electricity System Operator (ESO), as well as other relevant stakeholders to ensure the electricity network is able to meet current and future demands. It is from these conversations that we believe that there is sufficient capacity for today's demands on the electricity network.

The distinction drawn between 'today' and 'tomorrow' in the Government's evidence to the Committee was intended to compare the ability of the network to provide sufficient capacity to meet demand now (i.e. 'today') against the need for a transformation of the network to meet the demands of the future (i.e. 'tomorrow'). However, Government is not complacent: we recognise that the future is fast approaching, that the grid in Wales is experiencing challenges and pressure now and that transformation of the network cannot wait. That is why we welcome the work being done across industry, with Ofgem and the Government to build a secure, resilient and net zero-ready network across Britain.

The Electricity Networks Strategic Framework, published in August 2022, outlines a direction of travel, shared by the Government and Ofgem, to achieve our wider objectives, bringing together policy across the piece to support a transformation of the system for the future, including network management, planning, network investment, network connections and smart solutions and data. The recent Final Determinations for RIIO ED2 (the next network price control for the electricity distribution network) shows Ofgem's commitment to enabling strategic investment to allow for this transition, allowing £22.2 billion upfront funding to Distribution Network Operators (DNOs) across Britain for the next five years, with additional funding available for other net zero related projects, should the need arise.

We will continue to engage with the Welsh Government, to ensure the network in Wales is ready for network users, supporting and enabling growth in the low-carbon sector.

Demand pressures

Recommendation 2: ***We recommend that the UK Government task the new Electricity Networks Commissioner to determine the grid infrastructure necessary to enable industry, communities and businesses in Wales to decarbonise heat and transport in line with net zero targets.*** (Paragraph 50)

The British Energy Security Strategy (BESS), published in April 2022, committed to significantly reduce timelines for delivering strategic onshore transmission network infrastructure, with an aim of reducing the development times by three years initially, and an aspiration ultimately to halve the end-to-end process by the mid-2020s. This infrastructure is vital to meeting the accompanying aims of renewable energy generation also committed to in the BESS. The BESS also committed to appointing an Electricity Networks Commissioner to further advise on how to meet this ambition and in July, Nick Winser was appointed to the role.

As part of his advisory work the Commissioner is leading on a project, run by the Energy System Catapult, to identify areas where improvements could be made to further accelerate

the process and make recommendations to the UK Government. This includes a wide programme of engagement with those involved in the development process – including Government Departments, local and regional Government, regulators and industry - that is already underway and includes representatives from the Welsh Government.

The Commissioner will work in collaboration with the Offshore Wind Champion, Tim Pick, and the Offshore Wind Acceleration Taskforce, given the importance of electricity networks to offshore wind deployment.

This engagement is designed to support the Commissioner's ability to set out actions to speed up network delivery to meet the targets that the Committee has indicated in its report.

The connection of new renewable generation

Recommendation 3: ***We note the work by the Welsh Government to develop a long-term plan for energy networks in Wales and call on the UK Government to explain how it is engaging with this. The UK Government needs to explain how it is taking into account Wales-specific challenges and opportunities when considering grid design and how it is ensuring that Wales is able to benefit from the increased investment and development associated with grid reinforcement.*** (Paragraph 63)

Strategic planning of the network will always take account of network needs in Wales along with other parts of Great Britain and longer-term strategic planning will be key to unlocking the required investment to deliver a secure, resilient and net zero-ready network. The Holistic Network Design (HND) is the first step towards a Centralised Strategic Network Plan (CSNP), where the ESO works with network owners to identify priority projects and coordinate them, recommending a way forward to Ofgem in terms of approving certain projects. This strategic approach will help to speed up network delivery, with coordinated design through the HND expected to save £5.5 billion of consumer costs. Using this strategic network planning approach, Ofgem can enable network companies to invest strategically ahead of need to support network development in Wales and the rest of Great Britain and mitigate constraints.

The HND recommended connection to Bodelwyddan and associated transmission infrastructure for the 1.5GW Mona project in the Irish Sea and an initial design for 1GW of Celtic Sea floating wind capacity connecting to Pembroke Dock. The HND Follow Up Exercise will recommend a design for 4GW of floating wind capacity and consider the most appropriate connection points and associated onshore reinforcements. Welsh Government representatives directly fed into the HND through monthly meetings on the Offshore Transmission Network Review (OTNR) governance forums including the Project Board and Working Group and provide ongoing support for the HND Follow Up Exercise. All potential connection points in South Wales will be assessed while balancing cost, technical feasibility, environmental impact, and community impact design objectives.

The cost of connecting to the grid

Recommendation 4: ***We are encouraged that Ofgem is reviewing connection arrangements and we look forward to hearing more about the progress being made in the run up to 1 April 2023. We consider that due to the tight timeframes set by Government***

net zero targets, urgent work should be done to overcome prohibitive upfront costs and the 'chicken and egg' situation by incentivising developers to share grid connection and reinforcement costs. (Paragraph 73)

As the Committee notes, from April 2023, Ofgem, has decided to socialise a further proportion of network reinforcement costs for distribution network connection customers. This will reduce the upfront cost. Part of the rationale for this change was to address the 'chicken and egg' issue referred to by the Committee. BEIS has amended existing connections legislation to enable implementation of these reforms. This will give DNOs time to prepare for the changes and ensure they are implemented in a consistent manner across the country.

Under the current connection framework, developers can already share the costs of connecting to the distribution network, for example by forming consortia. DNOs have a role to play in this by providing information on developers in an area who are interested in sharing connection costs. Additionally, where a first connection customer has funded network assets which are later used by subsequent connection customers ('second comers'), under Government legislation the first connection customer may be eligible for proportionate reimbursement from the second comer(s).

Ofgem has also set out in its Final Determinations for the RIIO-ED2 electricity distribution price control a decision to implement a new Major Connections incentive. This incentive will encourage DNOs to provide a high level of service to their major connection customers or face a financial penalty. The Energy Networks Association has recently established a Strategic Connections Group to look at what further improvements can be made, and BEIS is committed to working with Ofgem to explore any additional measures that could further accelerate connections, for example reviewing the minimum level of service or "guaranteed standards" a customer can expect from a DNO.

Recommendation 5: ***A mechanism should be developed to allow small energy generation projects to defer and spread grid connection payments over time.*** (Paragraph 75)

As part of the connections framework overseen by Ofgem, DNOs require payments from connection customers upfront, in advance of the connection being made. This protects electricity billpayers who would otherwise be liable for the costs incurred by the DNO should the connection customer abandon the project. However, within this framework DNOs do allow connection customers to pay by instalments, where appropriate.

Recommendation 6: ***It is not equitable that grid reinforcement costs should be shared by consumers in an area because this would create a higher burden for rural households and businesses and those in areas which historically lack existing grid infrastructure. We ask Ofgem and the UK Government to define what is meant by the phrase "in the area" and to explain how they will ensure that rural or isolated communities will not be unduly burdened.*** (Paragraph 77)

Under Ofgem's distribution network connection charging arrangements the costs of connecting a project to the existing network are charged to the connecting customer. This is because they are the sole user of this infrastructure, and the arrangement will continue. From April 2023, under Ofgem's new connection charging arrangements, any reinforcement costs on the existing network to accommodate a new or upgraded demand connection will be met by electricity billpayers "in the area", which refers to the relevant

distribution network operator's licence area. So, for example, if the distribution network to a rural community in South Wales needed upgrading to accommodate electric vehicle chargepoints then the reinforcement costs would be recovered from the approximately 2.2 million customers across South Wales, not just those in the rural community benefiting directly from the reinforcement.

As part of the new connection charging arrangements, Ofgem has confirmed additional measures to protect wider bill payers across a DNO's licence area, including rural communities, from the potential cost impacts of reinforcement driven by excessively expensive connections. Most notably, this will mean the introduction of a 'high-cost project threshold' for demand connections, with the connecting customer paying all of the cost of reinforcement[1] that exceed the threshold. The expectation is that this will affect only a small minority of expensive demand connections, whilst ensuring the benefits of reduced financial barriers to connection for the vast majority.

Delays in planning and construction

Recommendation 7: ***We are encouraged to see the new Electricity Networks Commissioner appointed with a remit to reduce timelines and look forward to understanding in more detail how this will be achieved. However, it is not clear that the UK Government appreciates that a step change is necessary to deliver a streamlined planning and consent process that enables the achievement of net zero targets. We call on the UK Government to produce a projected timeline for how it will reduce processing times by fifty per cent within a year.*** (Paragraph 90)

The Government recognises that a step change is needed in the planning and consenting process to achieve net zero goals and has set out actions in the Electricity Networks Strategic Framework (ENSF) on cutting timescales through streamlining the planning consent process and removing barriers to infrastructure built in relation to land rights consent. In the BESS, we committed to accelerate network infrastructure to enable delivery of our 50GW offshore wind target by 2050.

As part of this, the Government is amending the energy National Policy Statements (NPSs) to ensure that they reflect the strategic importance of network planning and support the needs case for infrastructure; revised NPSs will be produced and published soon.

Furthermore, the Department for Levelling Up, Housing and Communities is leading a National Infrastructure Planning Reform Programme which will identify what the Government, its arm-length bodies, and other statutory bodies can collectively do to improve the performance of the Nationally Significant Infrastructure Project (NSIP) planning process to accelerate development consent, as well as to support Local Authorities. The Government intends to publish a full NSIP Reform Action Plan, as well as consultations on further regulatory and guidance changes to improve the operation of the system, in due course.

In parallel to the planning acceleration processes set out above, the Government will continue to work with Ofgem to expedite the regulatory approvals process and exempt key infrastructure from the immediate introduction of competition, where this could delay delivery. The Government is aware that this is a complex, multi-faceted piece of work

1 At the connection voltage and voltage level above.

and welcomes the input from stakeholders as we work to deliver network infrastructure acceleration. Government will also continue to work with communities that host this infrastructure.

Role of Ofgem

Recommendation 8: ***We recommend that the UK Government amend Ofgem's primary duty to include both ensuring the best value for consumers and achieving net zero targets, by bringing forward Government amendments to the Energy Bill. This would provide strong signals to developers and grid infrastructure owners.*** (Paragraph 99)

Ofgem's primary statutory duty is to protect the interests of existing and future gas and electricity consumers. The interests of such consumers are their interests taken as a whole, including their interests in the reduction of greenhouse gases and the security of the supply of gas and electricity to them. The Government and Ofgem are clear that the duty to protect consumers' interests includes the reduction of emissions of targeted greenhouse gases in line with net zero. Therefore, the Government does not consider an amendment to Ofgem's primary duty to be necessary to achieve the goals the Committee seeks.

The Government is also working to develop its Strategy and Policy statement (SPS) for energy policy in Great Britain, a key legislative instrument set out in the Energy Act 2013. The SPS is intended to consolidate all the Government's commitments in relation to energy policy in one place and to offer the strategic steers on how to balance them against each other so that Ofgem can prioritise effectively in line with Government's ambitions. The priorities of the SPS will include, but not be limited to, advancing a net zero energy system that is affordable, secure and resilient, and delivers good outcomes for consumers. The SPS will impose a legal obligation on Ofgem to have regard to those strategic priorities and policy outcomes when exercising its regulatory functions.

Rural Areas

Recommendation 9: ***The Government should outline the circumstances in which higher grid construction costs, for example due to undergrounding, are justified to enable rural communities to keep pace with the decarbonisation transition.*** (Paragraph 110)

The Government recognises that grid connection costs can be high in rural areas due, for example to distance from the existing network. Ofgem are revising how customers are charged for connecting to the distribution networks, meaning that they will no longer have to contribute to (in the case of demand connections), or will contribute less to (in the case of generation connections), network reinforcement costs to accommodate their projects. This should mean reduced connection costs for projects in rural areas where the existing network may have less available capacity.

With regards to grid reinforcement more generally so that all consumers, including those in rural areas, can be connected to and use the electricity grid, approval for any project is a matter for the independent regulator, Ofgem. The Government supports Ofgem in its work to strike the balance between enabling sufficient capacity on the network and doing so at a level that is economically prudent, to avoid the risk of assets which are not used to

their full capacity and potentially wasting consumer money, and very much welcomes the approach that Ofgem is taking in its regulation to enable a greater amount of investment ahead of need on the network.

Officials are updating the energy National Policy Statements (NPSs), including the draft electricity networks NPS (EN-5), which sets out Government's position on undergrounding and subsea cables as alternatives to overhead lines. The draft EN-5 has been updated to include the presumption of undergrounding as the default in nationally designated landscapes, such as Areas of Outstanding Natural Beauty. However, in all other cases, the presumption is for overhead lines, and the Secretary of State should only grant consent for underground or subsea sections of a line over an overhead alternative if the benefits clearly outweigh any extra economic, social, or environmental impacts, and any technical obstacles are surmountable.

Community energy

Recommendation 10: ***We recommend that the Government engage directly with community energy projects in Wales to understand the difficulties they face connecting to the grid. The UK Government should lead a working group made up of the Welsh Government, grid infrastructure owners, energy companies and communities to explore how access to the grid for community energy projects can be improved in Wales.*** (Paragraph 117)

The Welsh Government has responsibility for renewable energy projects under 350 MW in Wales, recognising that community energy projects will fall below this threshold. The Welsh Government also has responsibility for all onshore wind. Community energy schemes within Wales have access to support from the Welsh Government.

In addition to this, as promised in the Net Zero Strategy, the Community Energy Contact Group (CECG) has been re-established to strengthen Government's engagement with the sector. A representative from Community Energy Wales attends the meetings as an observer and contributes to relevant issues. The CECG works with BEIS to set the agenda for the meetings and can discuss grid connection issues, should they choose to.

Given we already have an established mechanism to engage with the community energy sector, we will not be establishing a working group to discuss access to the grid for community energy projects, at this time.

Recommendation 11: ***We recommend that the UK Government strengthens the legislative framework to support the growth of community energy schemes. The Energy Bill provides a potential opportunity to do this.*** (Paragraph 118)

There are no legislative barriers to community energy groups building and generating electricity within the UK energy market, and so the Government has no plans to bring forward legislative proposals, at this time.

As part of a wider review of market mechanisms, we are considering retail market reforms and responses to the Review of Electricity Markets consultation, which closed in October 2022.

Community benefits from commercial generation projects

Recommendation 12: ***The Government should incentivise energy companies and transmission infrastructure owners to provide benefits to communities hosting network assets. Communities should be directly consulted on the benefits they would like to receive. A starting presumption should be introduced through policy that a proportion of all future energy projects must be partly community-owned or provide direct benefits to the community which hosts the energy project and associated grid infrastructure.*** (Paragraph 126)

The Government committed in the BESS to review community benefit options for electricity network infrastructure to ensure that communities that host network infrastructure are recognised for their vital role in moving away from fossil fuels and ensuring a cheaper and cleaner energy supply in Britain.

The current approach to providing local community benefit packages for network infrastructure is voluntary and predominately led by the transmission operators. The Government is exploring if there should be a more standardised approach or whether providing a framework or benchmark offers more flexibility that would be of benefit to the distinct needs of individual communities and projects. We are engaging with community representatives, industry and stakeholders with an interest in community benefits. We are also engaging with transmission operators and working with Ofgem to review how benefits are currently delivered and how this can evolve, including for projects currently in flight.

Anticipatory Investment

Recommendation 13: ***The UK Government should use National Grid ESO's Future Energy Scenarios to work with energy companies and grid infrastructure owners to determine areas where anticipatory investment in grid infrastructure would be justified to achieve net zero targets. Where anticipatory investment in grid infrastructure is deemed justified, the UK Government should encourage the development of multi-connection substations in order to establish local supply chains, which can then support the connection of future renewable energy projects.*** (Paragraph 142)

We welcome Ofgem's work to create a price control framework, through which network projects are approved, which enables strategic investment ahead of need, and its work to accelerate strategic transmission network infrastructure, through speeding up network approvals where appropriate, exempting certain projects from competition to add certainty to network companies so they can prepare their supply chains to deliver these projects, and protecting consumers in doing so.

A coordinated and efficient approach to network planning is key to strategic network delivery, and the Government is working with Ofgem and industry to enable this. For example, as outlined above, the Government is working with National Grid ESO, Ofgem and the network companies on the HND, which identifies key strategic transmission projects for connecting new offshore wind specifically. This is the first step towards coordinating planning across the British electricity network and the coordinated, strategic approach is expected to bring significant amount of savings for consumers. Network plans which set out coordinated solutions will inevitably drive demand for the

technologies which support and enable coordination, such as multi-terminal HVDC systems. The HND's recommendations are ambitious but realistic, based on known and well understood technologies. Going forward, the ESO will continue to leverage technologies which are in development in order to reflect these in future network plans. The Government encourages inward investment in UK manufacturing and regularly engages with the supply chain to ensure sufficient investment in renewable energy projects. Ofgem will consider how Anticipatory Investment can be applied to projects included in the HND and have recently published their final policy decision for anticipatory investment capital expenditure recovery for projects pursuing coordination in the Early Opportunities workstream of the OTNR. The policy will reduce the risk associated with anticipatory investment for developers and reduce barriers to coordination. This is done through appropriate allocation of risks between developers and consumers. Ofgem will further be consulting on an early-stage assessment process in early 2023 following feedback from developers.

We welcome Ofgem's work to create a price control framework, through which network projects are approved, which enables strategic investment ahead of need, and its work to accelerate strategic transmission network infrastructure, through speeding up network approvals where appropriate, exempting certain projects from competition to add certainty to network companies so they can prepare their supply chains to deliver these projects, and protecting consumers in doing so.

Recommendation 14: ***In order to utilise the opportunities for renewable energy generation in Wales a system of anticipatory investment in grid infrastructure needs to be created and implemented urgently. In the Government response to this report, we request further information on the nature of the changes to Ofgem's powers and the timeline for this to be implemented. The UK Government should also conduct a review with Ofgem of the impact of the current price control mechanism on the level of anticipatory investment in grid infrastructure across the UK.*** (Paragraph 143)

The significant opportunities in Wales for renewable energy generation will make a key contribution to the UK Government's net zero target. The Government is supportive of the work that Ofgem is doing to ensure that its network price control is more forward-looking and enables strategic investment ahead of need, while mitigating risks associated with unnecessary network spend which is underutilised. Our work with Ofgem and with industry to enable more strategic planning in the network will help to support such investment ahead of need, supporting strategic and efficient investment, as outlined in our response to Recommendation 13 above.

Government regularly engages with Ofgem to understand their work on the electricity network price controls, which sets allowances and incentives for electricity network companies to build, own and operate electricity network infrastructure. We welcome the agile approach to regulation to enable strategic investment at the distribution network level across Great Britain that Ofgem has taken in its recent Final Determinations for the electricity distribution network price control (RIIO-ED2), as well as the significant upfront investment for strategic investment across the distribution network.

Looking ahead to future price controls, Ofgem recently published an Open Letter on gas distribution, gas transmission and electricity transmission network regulation, considering its suitability for purpose in light of all the recent changes in governance

around networks we have seen recently and expect to see in the future. We look forward to seeing the outcome of this review and the upcoming consultation in 2023 and welcome Ofgem's open approach.

Strategic Planning of the Network

Recommendation 15: ***Due to the urgency of the situation the UK Government needs to take control of electricity grid network design by setting deadlines and targets for Ofgem, grid infrastructure owners and other significant bodies including National Grid ESO. The UK Government needs to provide the leadership and strategic planning to deliver a complicated set of changes across multiple bodies. This will involve taking a 'roundtable' approach with regular meetings between stakeholders.*** (Paragraph 153)

The Government is committed to unlocking the required investment to deliver a secure, resilient, net zero-ready network in Wales and across Britain, engaging across industry with a range of stakeholders to do so in time-appropriate manner. Strategic planning will be key to speeding up both planning consent processes and regulatory approvals by Ofgem, by providing clearer, upfront indications of strategic infrastructure needs. The Government is taking a leading role in this and set out in the BESS how we will move towards a more strategically planned approach for electricity networks, including the publication of the HND, as described above in Recommendation 3 and 13.

The new strategic approach to network planning will provide a blueprint for the network, including upfront consideration of community and environmental impacts. This should provide more certainty in the planning and consenting process, reducing consenting times and risk for project development. This will help ensure strategic investment can be delivered by network companies in Wales and across Britain in a timely fashion.

In the longer-term we intend to take a more strategic approach to the deployment of offshore wind and associated transmission. This will allow environmental considerations to be taken into account more easily earlier in the process. As a first step towards this the Crown Estate is conducting a Habitat Regulations Assessment on the leasing areas in the Celtic Sea ahead of the FLOW leasing round.

In taking this forward we continue to engage regularly with a wide range of stakeholders from across the relevant sectors to set objectives, review progress and identify options for improvement.

Recommendation 16: ***As well as considering the grid in Wales as part of a Great Britain enterprise, the UK Government must recognise the distinctive challenges and opportunities associated with the grid in Wales. The UK Government should engage directly and regularly with the Welsh Government to deliver a coordinated and strategic approach to electricity grid network design.*** (Paragraph 154)

The Government recognises that across the whole of Britain's electricity network, different regions have different challenges and opportunities and that these often require different solutions. The Government is also conscious that each part of Britain and its network challenges feed into the wider grid and so it must be viewed as a whole. The Government is taking various actions to support stakeholder engagement and coordinated and strategic electricity grid network design.

For example, the Welsh Government is represented on the main OTNR governance forums: the Project Board and the Working Group, both of which meet monthly, and feed into the HND which identifies key projects to support the roll-out of offshore wind. Direct engagement with Welsh Government took place in support of the HND delivered in July and is ongoing for the HND Follow Up Exercise. The Welsh Government also continues to be a member the Central Design Group, which supports the ESO in their work in this space.

BEIS will continue to engage with the Devolved Administrations both as we work to deliver the projects included in the HND and the HND Follow Up Exercise, and on the development of subsequent strategic network planning exercises.

Conclusion

The UK Government recognises the importance of electricity networks in Wales to realising net zero by 2050 and ensuring a secure, resilient and cost-effective electricity system. The Government will continue to take forward the work outlined in this response to improve strategic planning, regulatory approval, planning consents and streamlining connections. It will also continue to implement the policies and regulations set out in the Electricity Networks Strategic Framework (ENSF) that will enable a net zero, energy secure future across GB including Wales.