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Dear Stephanie,

**STATEMENT ON ESTABLISHED NEED FOR THE PROPOSED DEVELOPMENT**

**APP/2024/1951 – FULL PLANNING PERMISSION FOR CONSTRUCTION AND OPERATION OF 400 KV AIR INSULATED SUBSTATION**

**LAND AT FETTERESSO FOREST, STONEHAVEN, ABERDEENSHIRE, AB393UX**

This Statement is submitted in support of an application by Scottish Hydro Electric Transmission plc (SSEN Transmission) for full planning permission under the Town and Country Planning Act (Scotland) 1997, to install and operate a new 400 kV substation to be known as Hurlie substation, located in Fetteresso Forest near Stonehaven in Aberdeenshire, with associated earthworks, the formation of platforms, landscaping, means of access, means of enclosure, site drainage, and temporary construction compounds (referred to hereafter as the "Proposed Development"). The purpose of this Statement is to provide clarity on the established need for the Proposed Development and has been submitted at the request of the Local Planning Authority.

The Planning Statement submitted with the application confirms that the Proposed Development is designated as a Class 3(c) National Development in its own right, being new onshore high voltage electricity transmission infrastructure above 132 kV. When discussing National Developments NPF4 (Page 97) states that these are significant developments of national importance that will help to deliver the spatial strategy and continues to provide confirmation that "Their designation means that the principle of the development does not need to be agreed in later consenting processes…".

On that basis, the principle of development or 'Need' for the Proposed Development should not be a material planning consideration at the application stage. The Proposed Development is supported by national planning policy in terms of National Planning Framework 4 ('NPF4'), which puts emphasis on the need for strategic reinforcement of the transmission grid to connect and transmit electricity from renewable energy development. It would contribute significantly towards the delivery of the UK and Scottish Governments' Net Zero Targets.

This Statement is not intended to repeat the assessment and conclusions of the Planning Statement , instead the focus is on the established need for the Proposed Development from a technical and economic perspective, with reference to the separate system planning and regulatory frameworks promoted and administered by: (i) the National Energy System Operator ('NESO'), and (ii) the energy regulator (Ofgem).

This Statement also provides further details on SSEN Transmission's approach to meeting this need, specifically the search area for site selection and the separation of the consenting processes for the Accelerated Strategic Transmission Investment (ASTI) Projects.

**Established Need: Technical and Economic Need**

Separate to, and independent from, the provisions of NPF4 and the Scottish Government's broader policy support for the deployment of renewable energy, there is an established technical and economic need for the Proposed Development, as shown by:

- a transmission system planning exercise encompassing the entire GB National Grid (considering the upgrades necessary to accommodate the UK generation and demand requirements); and
- the regulatory approval from Ofgem as part of its ongoing assessment process.

In short, the need for the development has been carefully assessed and established as part of those regimes which are outlined below.

**Transmission System Planning**

*HND and NOA Refresh (2022) - 'Pathway to 2030'*

In July 2022, National Grid ESO, (as of 1st October 2024 now known as the National Energy System Operator (NESO)) published the Pathway to 2030 Holistic Network Design (HND), setting out the electricity transmission network infrastructure required to enable the forecasted growth in renewable electricity across Great Britain, specifically the UK and Scottish Government's 2030 offshore wind targets of 50GW and 11GW (through the Crown Estate and ScotWind leasing rounds) which are the main drivers for these upgrades.

This study confirmed the need for a significant and strategic increase in the capacity of onshore and offshore electricity transmission infrastructure to support the UK and Scottish Governments' commitments to meet legally binding net zero targets. The HND supplemented the Network Options Assessment ('NOA') Refresh, published in July 2022, which confirmed the requirement for the delivery of the onshore infrastructure to support 11GW of generation associated with ScotWind by 2030 (in conjunction with the offshore infrastructure identified in the HND).

In summary, National Grid ESO was clear in 2022 that further reinforcement of the electricity transmission network was needed to connect new, large-scale, renewable sources of energy in Scotland (from offshore wind as well as local onshore low carbon renewable generation).

*HND Follow Up Exercise (2024): 'Beyond 2030'*

In 2024, the NESO further reviewed the onshore and offshore network reinforcements, as part of their HND Follow Up Exercise integrated design called 'Beyond 2030', to facilitate the connection of an additional 18 GW of offshore wind from the ScotWind leasing round, beyond that set out in the HND and NOA Refresh. This confirmed the onshore and offshore reinforcements identified as part of the 2022 HND and NOA Refresh were required with the scopes developed to date at that point, as set out in the Map at Figure 1 of the Beyond 2030 Report: We trust you find the submitted information in order and look forward to receiving formal confirmation of receipt and validation of this application in due course. In the meantime, should you have any queries or require further information, please contact me on the details above.

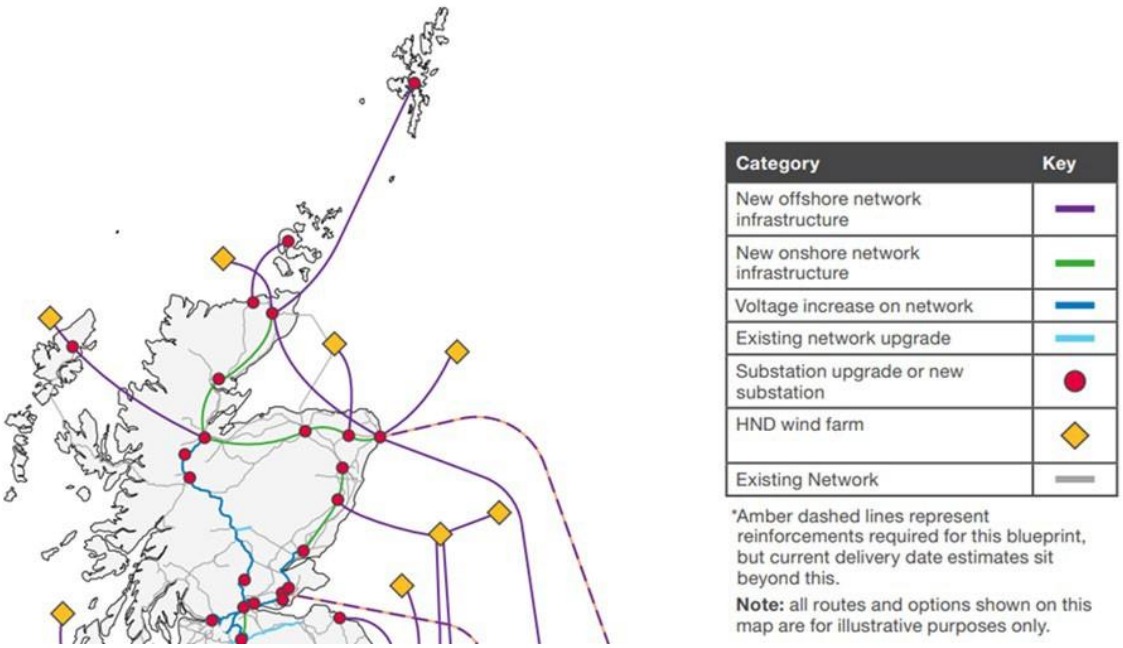


Figure 1 - Map of 2030 network infrastructure including HND offshore coordinated system

In summary, the NESO's HND, NOA Refresh and associated follow up design exercise (HND FUE) set out the required onshore and offshore transmission works (including the Proposed Development as new onshore transmission works) that supports the large-scale delivery of electricity generated from offshore wind, as well as local onshore low carbon renewable generation, taking electricity from where it is generated to where it is needed across Great Britain.

*Ofgem: Regulatory Approval Process*

To deliver the transmission infrastructure required by 2030, Ofgem has introduced a new regulatory framework for Transmission Operators (TOs), including SSEN Transmission. This framework enables TOs to secure approval for the economic case and funding of projects identified in the Pathway to 2030 exercise. The process is known as the Accelerated Strategic Transmission Investment (ASTI) framework.

The ASTI framework demonstrates Ofgem's commitment to supporting the timely delivery of onshore transmission upgrades identified by NESO. Ofgem has highlighted the significant benefits these reinforcements will bring to consumers, including improved system resilience, security of supply, and progress towards decarbonisation. Conversely, delays could result in serious consequences such as:

- Inability to connect new generation capacity safely and fully
- Increased network constraints
- Higher constraint costs, which ultimately impact consumer energy bills

The Proposed Development is within the scope of the ASTI Framework. Reference is made to the ASTI Framework Decision Appendix 1, which lists the relevant projects, including the East Coast onshore 400kV Phase 2 Reinforcement project (known as TKUP), which the proposed substation forms part of. Following the submission of initial and final delivery plans by SSEN Transmission in September and December 2022, respectively, and following consultation by Ofgem, Ofgem issued a decision in December 2022 approving ongoing development and

delivery within the new ASTI regulatory framework. Please follow the link below to the ASTI Framework Decision document: Decision on accelerating onshore electricity transmission investment

Separately, Ofgem and the Department for Business, Energy and Industrial Strategy (BEIS), now the Department for Energy Security and Net Zero (DESNZ), have supported and endorsed the Pathway to 2030 Holistic Network Design through the establishment of the Offshore Transmission Network Review (OTNR) and Central Design Group (CDG).

**Meeting the Need for Transmission Infrastructure**

*Proposed Development Search Area*

The requirement for a new substation in Aberdeenshire arises from the requirements set out in the Pathway to 2030 Holistic Network Design (HND) process. Under this process, NESO asked all GB Transmission Operators (SSEN Transmission), to identify potential transmission interface points, such as new, planned, or existing substations across the network.

These points would provide connection opportunities for the first tranche of ScotWind offshore wind projects and for links to the East Coast Offshore Coordinated Network (referred to as Offshore Grids (OG)). The OG concept involves offshore substations with multiple connections to land, one of which falls within SSEN Transmission's licence area.

SSEN Transmission proposed several onshore interface options, including:

- An extension to the existing Fetteresso substation
- A new 400kV substation near Fiddes
- A new 400kV substation near Tealing
- Additional options near Peterhead and New Deer

NESO selected Fetteresso for the OG connection because it was an existing site, offering lower cost and faster delivery compared to building a new substation. This recommendation was published in the original HND Pathway to 2030 report.

FollowIng the HND, The NOA7 Refresh, led by NESO, confirmed the need for the Kintore – Tealing 400kV (TKUP) project by 2030. This project involves constructing a new overhead line between Kintore and Tealing to increase power transfer capacity from renewable generation in northern Scotland. Two subsea HVDC links recommended under the HND, between Peterhead and Yorkshire cannot fully accommodate the required capacity, and TKUP is required in addition to these offshore links.

In its investment case to Ofgem, SSEN Transmission included both the TKUP project and a proposal for a new 400kV substation near Fiddes. Ofgem approved this case. The decision to include Fiddes was based on several factors:

- Proximity to the coast, making it better suited for OG and future offshore connections
- The existing Craigiebuckler–Arbroath 132kV overhead line is nearing end-of-life; a new substation at Fiddes would allow integration with the 132kV site and enable dismantling of the ageing line
- Potential to provide future rail electrification connections

In autumn 2022, NESO initiated HND Follow Up Exercise to identify options for the second tranche of ScotWind projects and additional offshore links. SSEN Transmission again proposed Fiddes, Tealing, and other sites. NESO recommended a new 400kV substation near Fiddes for one of these projects. SSEN Transmission then proposed that the OG connection should also come from Fiddes rather than Fetteresso, as Fiddes would sit on the new TKUP line, maximising power flow south via both onshore and offshore networks. NESO accepted this proposal.

These drivers informed the initial site selection, which focused on a 5km area centred on the existing Fiddes substation.

*Extended Site Selection*

Following stakeholder feedback on to the initial site proposal identified, a wider site selection process was undertaken. A review of the wider network drivers was undertaken in light of potential consenting challenges of developing infrastructure of this scale in the previous search area.

A wider search area was reviewed up to 10km away from Fiddes 132kV substation. The additional search area considered maintaining general proximity to the coast to enable offshore connections, maintaining proximity to the existing Fiddes substation, suitable 400kV OHL routeing options, reducing community impact and consenting challenges. This process identified an additional 23 sites that were considered. Amongst the additional sites identified, with consideration to a high volume of community requests, was a site within Fetteresso forest. A site in Fetteresso is considered to address the proximity requirements of the site and reduce overall environmental impact. This site was then progressed through the Aberdeenshire Pre-Application Notification process in early 2024. And subsequently progressed through to consent submission.

In the intervening period since the consent application for Hurlie was submitted, there have been updates to the previous drivers for grid development, partly informed by the Transitional Centralised Strategic Network Plan (TCSNP) and associated follow up exercise, which included:

- The OG connection no longer proceeding in its previous form - this is now proposed to be connected into the Netherton Hub at Peterhead and will be known as Eastern Green Link 5 (EGL5).
- Bowdun Offshore Wind and Bellrock Offshore Wind have contracted connections at Hurlie 400kV substation.
- There is a requirement for Voltage control equipment to be located on the 400kV network at Hurlie 400kV substation
- Connections to the existing Fiddes substation which were required to enable the removal of ageing infrastructure and the Network Rail connection, would be accommodated at the existing Fetteresso substation, which would require an upgrade

to accommodate the works. These works are being progressed under the RIIO-T3 Business plan.

*SSEN Transmission Licence Obligation*

SSEN Transmission have a licence obligation to offer and provide grid connections to both generators and demand customers. SSEN Transmission have a licence obligation to undertake their duties to provide those grid connections in an economic and co-ordinated manner and to operate their network in a secure manner.

Based on SSEN Transmission's licence obligations, the key need drivers for Hurlie are summarised as follows:

- To provide a grid connection for Bowdun Offshore Wind for 2035. Bowdun Offshore Wind will be building both offshore and onshore infrastructure to enable this connection into Hurlie.
- To provide a grid connection for Bellrock Offshore Wind for 2032. Bellrock Offshore Wind will be building both offshore and onshore infrastructure to enable this connection into Hurlie.
- To provide a location for voltage control equipment on the 400kV network for 2032. This is required to support the TKUP 400kV OHL from Kintore - Tealing, to optimise the east coast 400kV networks (both existing and future) and transfer more power to demand centres in the south.

There are other future connections that may be required at Hurlie, those being under the Innovation and Targeted Oil and Gas (INTOG) regime as well as an increase in distribution voltage connections seeking a connection in the area which may trigger the need for a second Grid Supply Point (GSP) in the area, in addition to that of Fiddes GSP.

We trust that the information provided in this Statement provides clarity around the Need case for the Proposed Development both in terms of both planning and technical and cost considerations. However, should you have any queries or require further information, please contact me on the details above.

Yours sincerely

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**Consents & Environmental Manager**
**Scottish and Southern Electricity Networks**