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NESO letter to Ofgem regarding HNDFUE Muir Mhòr impact assessment and asset classification.

Dear Stuart,

*Beyond 2030*¹, published in March 2024, incorporated our recommended design for projects from the Holistic Network Design Follow up Exercise (HNDFUE)² as well as *the* Holistic Network Design (HND)³ published in July 2022. The report sets out, an integrated design that supports the large-scale delivery of electricity generated from offshore wind, taking power to where it's needed across Great Britain. Since the publication of the HND, Transmission Owners (TOs) and in scope offshore wind farm developers with non-radial connections have started to produce the detailed network design (DND).

As part of the DND phase, TOs and developers consider the designs in more detail and potential design changes are to be expected. This has required us to develop a process to assess the impact of these changes, against the baseline of the HND, using the four HND design criteria. These changes may include a change in technology, a change in cable route or length or a change of network configuration that would have a material impact on the design criteria. We refer to this process as the HND / HNDFUE Impact Assessment process⁴.

Deviations from its recommendations may have wider implications for the transmission network and other industry processes. It is important that we understand the full impact of any design changes, as there may be consequences that are not immediately obvious, and we are best placed to conduct this holistic assessment.

¹ <https://www.neso.energy/publications/beyond-2030>

² <https://www.neso.energy/document/270851/download>

³ <https://www.neso.energy/document/262681/download>

⁴ <https://www.neso.energy/about/our-projects/offshore-coordination>

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The purpose of this letter is to communicate the outcome of the Muir Mhòr impact assessment and the changes to the original recommended HNDfUE design. We also wish to request that the Office of Gas and Electricity Markets (Ofgem) consider the outcome of our assessment, and the implications to the previously consulted asset classifications, specifically the new recommended design for the Muir Mhòr project.

As part of the impact assessment process, we received a proposed design change from Muir Mhòr, a joint venture between Fred. Olsen Seawind and Vattenfall, for their 1 GW floating offshore wind farm sited off the east coast of Aberdeenshire. The proposed change was focussed around a localised area of the Northern Half of the HNDfUE Cluster.

Assessment outcome: The conclusion of our analysis resulted in Muir Mhòr connecting directly to a substation at Longside in the Peterhead area emerging as the preferred option. With the original 2 GW HVAC reinforcement link that connected Muir Mhòr and Campion, being replaced with a 2 GW HVDC bypass link to Campion from a new location on the national transmission system in Aberdeenshire.

Further details of the new design, the factors influencing the outcome of the Impact Assessment, and the potential benefits of the design change can be found in the accompanying Muir Mhòr Outcome Summary⁵ on the NESO website.

On 19 March 2025, we took an agenda item on the Muir Mhòr impact assessment to a meeting of the HND Board, to ratify that the necessary considerations had been applied. This is consistent with the steps taken for HND and the HND Follow up Exercise (HNDfUE). We presented the outcome of the assessment and an explanation of the process that we followed, to provide sufficient evidence to the group to demonstrate that we had followed the required process and ask for their sign off. The group confirmed they believe we had followed the required process which means the outcome of the Impact Assessment is now finalised.

In April 2024, the Office of Gas and Electricity Markets (Ofgem) set out the criteria for determining the appropriate classification of each asset in the HNDfUE, for the correct licence to be granted. Having reviewed the Ofgem criteria for determining the classification we believe that the latest HNDfUE design requires a classification review of the affected assets within the localised area of the HNDfUE Cluster. This will provide clarity for the developers and TOs as they progress the DND.

The latest design topology has changed the primary usage of the Muir Mhòr to Peterhead asset and introduced a new asset for the bypass to CampionWind. Additionally, the previously identified asset connecting Muir Mhòr to CampionWind is no longer required. We are now advising Ofgem of the change to the network in this region so that Ofgem can consider the asset classification for the proposed infrastructure.

⁵ <https://www.neso.energy/document/361811/download>

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We welcome your response. If you have any questions or comments related to points raised in this letter or require further information, please do get in touch.

Yours sincerely

David Willmot

Interim Head of Offshore Coordination Network Planning