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2. PROJECT NEED AND STRATEGY

2.1 Overview

2.1.1 This chapter explains the need for Proposed Development. It sets out the needs case in the context of materially relevant National Policy within National Planning Framework 4 (NPF4)¹, the Electricity System Operator's (ESO) Pathway to 2030 Holistic Network Design², the British Energy Security Strategy³ and the Accelerated Strategic Transmission Investment (ASTI) framework⁴.

2.2 National Significance

2.2.1 In July 2022, National Grid ESO^{Error! Bookmark not defined.} published the Pathway to 2030 Holistic Network Design, setting out the blueprint for the onshore and offshore electricity transmission network infrastructure required to enable the forecasted growth in renewable electricity across Great Britain, including the UK and Scottish Government's 2030 offshore wind targets of 50 GW and 11 GW. This confirms the need for a significant and strategic increase in the capacity of the onshore electricity transmission infrastructure to deliver 2030 targets and a pathway to net zero. The need for these reinforcements is underlined within the British Energy Security Strategy, which recognised the significant impact on the cost of living from rising gas prices and sets out a plan to increase the supply of electricity from zero-carbon British sources to deliver affordable, clean and secure power in the long term.

2.2.2 SSEN Transmission holds a license under the 1989 Act for the transmission of electricity in Scotland and has a statutory duty under section 9 of the Act to develop and maintain an efficient, co-ordinated, and economical electrical transmission system in its licence area. Where there is a requirement to extend, upgrade or reinforce its transmission network, SSEN Transmission's aim is to provide an environmentally aware, technically feasible and economically viable solution which would cause the least disturbance to the environment and to people who use it.

2.3 National Developments

2.3.1 The Proposed Development would be a National Development under Section 3A of the 1997 Act and is of a type that would fall within National Development 3 – Strategic Renewable Electricity Generation and Transmission Infrastructure in NPF4.

2.3.2 NPF4 identifies 18 National Developments (ND) described as: "*significant developments of national importance that will help to deliver the spatial strategy*". Developments proposed as National Developments are acknowledged as projects expected to provide substantive support to the economy of Scotland in terms of direct and indirect employment and business investment, with wider economic benefits. It adds that: "*Their designation means that the principle for development does not need to be agreed in later consenting processes, providing more certainty for communities, businesses and investors*".

2.3.3 National Development 3 (ND3) "*Strategic Renewable Electricity Generation and Transmission Infrastructure...supports renewable electricity generation, repowering, and expansion of the electricity grid. A large and rapid increase in electricity generation from renewable sources will be essential for Scotland to meet its net zero emissions targets. Certain types of renewable electricity generation will also be required, which will include energy storage technology and capacity, to provide the vital services, including flexible response, that a zero carbon network will require. Generation is for domestic consumption as well as for export to the UK and beyond, with new capacity helping to decarbonise heat, transport and industrial energy demand.*"

¹ The Scottish Government, (2023). National Planning Framework 4. [Online] Available at: <https://www.gov.scot/publications/national-planning-framework-4/> [Accessed: June 2024].

² National Grid Electrical System Operator (ESO), 2022. Pathway to 2030 – A holistic network design to support offshore wind deployment for net zero. [Online] Available at: <https://www.nationalgrideso.com/document/262676/download> [Accessed: March 2024].

³ UK Government, (2022). Policy paper – British energy security strategy. [Online] Available at: <https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy> [Accessed: March 2024].

⁴ Ofgem, (December 2022). Decision on accelerating onshore electricity transmission investment. [Online] Available at: https://www.ofgem.gov.uk/sites/default/files/2022-12/ASTI%20decision%20doc%20-%20Final_Published.pdf [Accessed: March 2024].

"The electricity transmission grid will need substantial reinforcement including the addition of new infrastructure to connect and transmit the output from new on and offshore capacity to consumers in Scotland, the rest of the UK and beyond. Delivery of this national development will be informed by market, policy and regulatory developments and decisions."

2.4 Designation and Classification

- 2.4.1 The location for ND3 is "All Scotland" and the description of Need is that: *"Additional electricity generation from renewables and electricity transmission capacity of scale is fundamental to achieving a net zero economy and supports improved network resilience in rural and island areas."*
- 2.4.2 The designation and classes of development which would qualify as ND3 are: *"(a) on and off shore electricity generation, including electricity storage, from renewables exceeding 50 megawatts capacity; (b) new and/or replacement upgraded on and offshore high voltage electricity transmission lines, cables and interconnectors of 132 kV or more; and (c) new and/or upgraded Infrastructure directly supporting on and offshore high voltage electricity lines, cables and interconnectors including converter stations, switching stations and substations."*
- 2.4.3 The Proposed Development, as a substation, therefore qualifies as class 3 (c) National Development.

2.5 Statement of Need

- 2.5.1 In addition to being designated as a National Development, the Proposed Development is supported by NPF4 under the provisions set out in Policy 11(a)(ii) (Energy).
- 2.5.2 The ESO's Pathway to 2030 Holistic Network Design, identified the requirement to reinforce the onshore transmission system between Beaulay and Peterhead, via Blackhillock and New Deer (near the Site) through the construction of a new 400 kV OHL (the BBNP 400 kV OHL). Providing a new higher voltage connection between these sites will deliver the significant increase in capacity needed to transport energy from new large scale onshore and offshore renewable generation (mainly windfarms) to demand centres via onshore and offshore transmission links.
- 2.5.3 To enable these new connections, new 400 kV substations, such as the Proposed Development, are required at key locations to provide connection points for the BBNP 400 kV OHL. These substations, of which the Proposed Development is one, will also offer opportunities for onshore and offshore renewable generation to connect into the reinforced electricity network.
- 2.5.4 These projects have been highlighted as critical to delivering the UK and Scottish Government's targets, with the development of them accelerated to meet the target dates of Energisation by 2030.
- 2.5.5 The independent Great Britain energy regulator, the Office of Gas and Electricity Markets (Ofgem), approved the need for these projects as part of its ASTI framework as a Great Britain wide programme of investments. Ofgem's decision approved all of SSEN Transmission's Pathway to 2030 projects, which includes the Proposed Development. It also set out the regulatory framework under which these projects will be taken forward. SSEN Transmission's Pathway to 2030 Projects (including the Proposed Development, located near New Deer) are illustrated in **Plate 2-1 SSEN Transmission's Pathway to 2030 Projects** below.

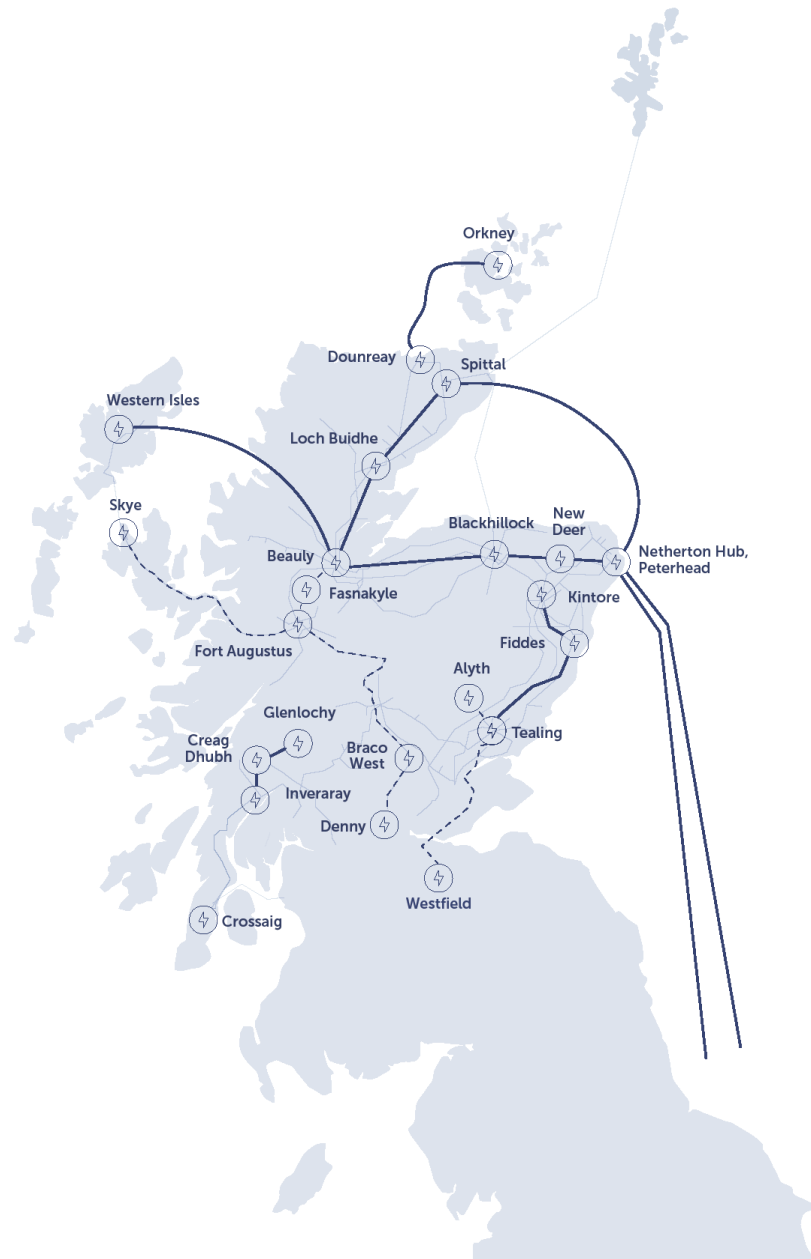


Plate 2-1 SSEN Transmission's Pathway to 2030 projects

2.5.6 The Proposed Development will further help facilitate the transmission of future renewable generation from the North of Scotland to demand centres throughout Scotland and the UK.

2.6 Conclusion

2.6.1 The ASTI projects, of which the Proposed Development is one, are National Development that are explicitly supported by national policy, the ESO, and the energy regulator Ofgem. The Proposed Development would contribute significantly towards the delivery of the UK and Scottish Government's Net Zero Targets and help reduce the UK's dependence on imported oil and gas.