

# 'First of its kind' UK energy project shines a light on the need for collaboration

January 14, 2025



## *Insight from the APM*

The UK is committed to achieving net zero by 2050 in England and Wales and by 2045 in Scotland. To help achieve this, the UK Government has decided to develop offshore wind at scale, with a set target of deploying 50GW of offshore wind by 2030 – enough to power every home in the UK. North Sea developments, including offshore wind and subsea links, are essential to helping the UK meet these climate targets.

To help deliver this greener energy to homes and businesses across the UK, the capacity of the network between Scotland (with its many renewable energy sources) and the rest of the UK needs to increase. Eastern Green Link 2 (EGL2) will function as an electricity 'superhighway' from Scotland to England, bringing the energy from where it's generated, to where it is needed – to homes and businesses across Great Britain.

The project will reinforce Britain's electricity network with a 2-gigawatt high voltage direct current (HVDC) cable link between Peterhead in Aberdeenshire and Drax in North Yorkshire, most of which will run in the North Sea. When complete in 2029, it will carry enough electricity to power around two million households. The project is being delivered as a Joint Venture (JV) by National Grid Electricity Transmission (NGET) and SSEN Transmission.

After several years of community consultation, refining plans and enabling works to ready the site in Peterhead, Scotland, construction of EGL2 has started. In the coming months and years, the JV will install 69km of onshore underground cable and 436km of subsea cable. Ofgem confirmed its final approval of

funding for the project in August 2024 and ground was broken at either end of the link in September 2024, with all permissions for the project in place.

## **Collaboration is Key**

The companies are now collaborating in an open and equal manner, taking joint strategic decisions and forming teams with an equal balance from both organizations. In November 2024, a collaboration centre – a shared facility with a capacity for around 80 workers – was opened in Glasgow. The facility has been designed with collaboration in mind and includes a space where both companies can come together and work as one combined EGL team.

A spokesperson for National Grid said: “We have taken the approach of trying to get the best from both companies and developed processes and procedures that satisfy both parent organisations, and take lessons learnt from previous projects to ensure efficiency and best practice. The companies formally entered into a JV in June 2023, and, in the interest of delivering EGL2, have been working as one company ever since. It has been a challenge to bridge the culture of both companies, but the establishment of a joint set of values for the JV has helped to bridge the gap and promote a unified approach.”

## **Innovation and Best Practices**

The EGL2 project is set to utilize new suppliers and make use of innovative technology, as new solutions become available on the market. For example, as the 525kV HVDC cable is installed, EGL2 will become one of the first projects in the world to make use of that technology to help deliver a 2GW link. The scale of EGL2 has made National Grid and SSEN Transmission reflect on better and more innovative ways of working.

Both companies recommend five principles of collaboration to ensure a productive working relationship between organizations working on projects of this scope and scale:

- **United:** A team who are working collaboratively and who have truly adopted a JV mindset.
- **Advocates:** A team who are advocates for the project, safe practices, the environment and/or the local communities.
- **Ambitious:** A team who truly go above and beyond, embracing new ideas to succeed.
- **Empathetic:** A team who considers the wider implications of their work and/or shows immense kindness and respect to their colleagues.
- **Trusting:** A team who actively listen to colleagues, are transparent with information and/or are comfortable challenging decisions and being challenged themselves.

Once the values were agreed upon, the JV found it was also incredibly important to work in a flexible manner with contractors and be open to opportunities within the supply chain.

## **Lessons Learned and Future Outlook**

Supplier resources and supply chain capacity are becoming more constrained as the global race to net zero intensifies and the traditional strategy of spot project tendering no longer feels sustainable. A spot tender was completed for EGL2, but a key lesson for future projects would be to develop a cable framework to help improve the tender process.

A spokesman for National Grid offered an example, saying: “Last year, we launched a £57bn UK, multi-year, HVDC cable supply chain framework to service its growing HVDC requirements. There are several benefits to the new framework, not least securing capacity within an already constrained supply chain but also increasing market attractiveness to investors. The framework will enable National Grid to build the supply chain relationships required to help drive forward the UK’s decarbonisation targets. It will facilitate National Grid’s ability to create longer-term strategic contractual relationships; provide a mechanism to secure not only for existing requirements but also for anticipated capacity; and reduce the admin burden of individual tenders to become a more attractive client.”

National Grid’s vision is to be at the heart of a clean, fair, and affordable energy future. To achieve that vision, the company needs to make infrastructure investment on an unprecedented scale and that means potentially procuring over 14,000km of cable, a third of the current global market capacity. To deliver this effectively, the creation of a supply chain framework is needed, to enable National Grid to create longer-term strategic contractual relationships.

A spokesman for National Grid concluded: “This project is one of the first joint venture projects to begin construction, and it will act as an example of collaborative working. Due to be completed in 2029, the project wouldn’t have been possible without the huge commitment of the project team, construction partners, stakeholders and the invaluable feedback from local communities.”