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Your ref:
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Dear Secretary of State

Unlocking £520m of National Cost Savings and Up to £1.7bn GVA from Offshore Wind Transmission Decisions in Lancashire

We write on behalf of Lancashire County Council, Fylde Council and Wyre Council, regarding the proposed Morgan, Morecambe and Moor Vannin Offshore Windfarm projects and their associated onshore transmission infrastructure.

Decisions taken on transmission infrastructure at this stage present a significant opportunity to deliver substantial national cost savings and long-term economic benefits. A light-touch, Green Book-compliant economic review commissioned by the three councils has identified that an alternative approach to onshore grid connection could deliver:

- Up to £520m in avoided national infrastructure costs, through a reduced length of underground cabling and more efficient use of existing assets.
- Approximately 1,100 additional jobs enabled at Hillhouse Enterprise Zone.
- Between £990m and £1.7bn in additional Gross Value Added (GVA) between 2030 and 2040.
- A potential 8.6% increase in the size of the Wyre economy.

Taken together, these outcomes represent an alignment of delivering value for money, energy security, and place based economic growth.

We support secure, affordable energy, but it must be delivered at the lowest possible cost to taxpayers. There is a strong local expectation that investment of this scale should also deliver clear economic benefits in the areas affected, including employment, skills and supply-chain opportunities.

The statutory planning process is focused on determining whether individual schemes are acceptable in planning terms. It provides limited scope to consider whether different



approaches to onshore connections could deliver greater economic benefit over the longer term. As a result, decisions may be taken that meet immediate project requirements but do not fully reflect wider economic considerations.

Through the Lancashire Combined County Authority, partners have agreed the Lancashire Growth Plan, which sets out how major infrastructure investment can support long term economic growth across the county and strengthen existing industrial and employment areas. The scale of offshore wind investment expected in the Irish Sea presents an opportunity in this context, particularly if decisions on onshore connections and related infrastructure are taken with a longer term, strategic view. This could support enabling infrastructure to unlock Hillhouse Enterprise Zone, an anchor Strategic Site within the Growth Plan for advance engineering and manufacturing.

Decisions taken now will have a bearing on how effectively future projects support economic growth and investment. This is particularly relevant given the likelihood of further offshore wind projects coming forward in the Irish Sea.

For this reason, the three councils commissioned a light-touch economic review, compliant with the Green Book, of the onshore cable connection options for the Morgan, Morecambe and Mooir Vannin projects focusing on the economic implications of different options. The Executive Summary of this review is attached for your consideration.

The review identified several significant matters that warrant further investigation:

- An assessment of the cost and infrastructure implications of an alternative route versus the proposed Development Consent Order (DCO) route for Morgan and Morecambe sets out potential cost savings in the order of £287m, rising to £520m if infrastructure upgrades are included to accommodate Mooir Vannin.

These savings derive from landing Morgan & Morecambe and Mooir Vannin at Rossall and terminating at a new substation at Hillhouse Enterprise Zone adjacent to the existing Stanah substation. The new substation would be supported by upgrades to the overhead lines from Stanah-Hambleton-Penwortham to improve firm capacity to enable energy export back to Penwortham. The effect is a reduction in the kilometers of underground cable, with the Alternative Northern Route requiring around 5km, as opposed to 30km in the DCO route, for which there are significant expected cost savings.

- The failure of the Morgan project to secure a Contracts for Difference (CfD) allocation introduces a different viability dynamic, particularly in relation to the strike price required for financial viability. In a note to investors dated 15th January 2026 *EnBW stated:*

“The primary reason for EnBW’s withdrawal is that the two projects did not receive government support through so-called ‘Contracts for Difference’ in the recently

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completed allocation round of the UK Department of Energy Security and Net Zero. In combination with other factors beyond its control, this implies that the projects are no longer economically viable as per EnBW's standards and criteria. These include increasingly deteriorating conditions such as significant cost increases across the supply chain, higher interest rates and ongoing project implementation risks."

These comments in respect of economic viability and supply chain cost inflation are directly relevant. Reducing the onshore transmission infrastructure costs could reduce the strike price that would need to be achieved in a future allocation round, thereby improving viability. The project promoters note that they are capitalised with 50bn EUR to deploy across Europe and the UK by 2030 – improving the viability of the Morgan wind farm through reduced infrastructure costs could secure investment in UK energy generation as opposed to it being diverted overseas.

- A high-level ecological review has found no insurmountable environmental or ecological challenges. This contrasts with the assertions made by NESO in their recent correspondence with Fylde Council that this is a reason for not considering Stanah as the connection point. Any environmental and ecological constraints discovered have recommendations for further survey to ascertain the extent of the mitigations that are required, but it is believed that established techniques can mitigate any potential impacts effectively.
- An economic review undertaken into the constraints to economic development at Hillhouse enterprise zone shows that with a modest investment from the local transport authority and improved energy export potential as a result of a new substation and improved firm capacity on overhead lines, would enable the site to be more fully built out for both energy generating uses and industrial uses. The net additionality is some 1,100 additional jobs, and between £990m and £1.7bn in additional GVA over the decade from 2030 to 2040. These represent significant uplifts in jobs and local economic output, which would have the effect of increasing the size of the economy in Wyre by 8.6%.

This evidence highlights credible national cost avoidance benefits, the potential to reduce energy cost pressures on households through cheaper project delivery, improved prospects for offshore wind viability off the Fylde Coast, and substantial local economic benefits. These benefits would allow local communities to share in economic prosperity in exchange for the disruption associated with hosting nationally significant infrastructure.

We collectively have a duty to consider the broader context when assessing the likely impacts of a Development Consent Order. The above benefits should also be considered alongside the likely harm of consent for the Development Consent Order being granted, as set out through our submissions to the Planning Inspectorate and Secretary of State for that matter. The positive weight attributed to the likely economic and energy benefits only becomes more significant when weighed against the likely harm of the proposed scheme.

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Considering this evidence, we respectfully urge you to pause any decision on transmission assets to allow full and further investigation into these matters ensuring that strategic, economic and national value considerations are properly reflected alongside planning and technical requirements.

In addition, we would welcome the opportunity for you, or the relevant Minister(s), to visit Lancashire to see first-hand the proposed landing point, the Hillhouse Enterprise Zone, and the wider context in which these nationally significant decisions are being made. We believe a visit would provide valuable insight into both the scale of local impact and the opportunity to unlock substantial national cost savings and economic growth. If diary constraints mean that a visit is not possible, we would respectfully request a meeting in Parliament so that we can present the findings of the review and discuss how these issues might be considered further.

We look forward to hearing from you.

Yours sincerely,



Cabinet Member for Rural Affairs,
Environment & Communities
Lancashire County Council

Leader of Fylde Council

Leader of Wyre Council

Enclosure:

Economic Review of Offshore Wind Developments in Lancashire: Executive Summary

Lancashire County Council
PO Box 100, County Hall, Preston, PR1 0LD

1. Executive Summary

1.1 Purpose and Scope of Assessment

This report was commissioned in March 2026 by Lancashire County Council and its Fylde Coast local authority partners to investigate the economic merits of an alternative infrastructure route for the Morgan, Morecambe, and Mooir Vannin offshore windfarms.



Figure 1: Location of Wind Farms in the Irish Sea

The study examines whether variations to the current proposed route (as per the Development Consent Order), involving a buried cable of approximately 30km to Penwortham, could better maximise local economic benefits and improve project viability.



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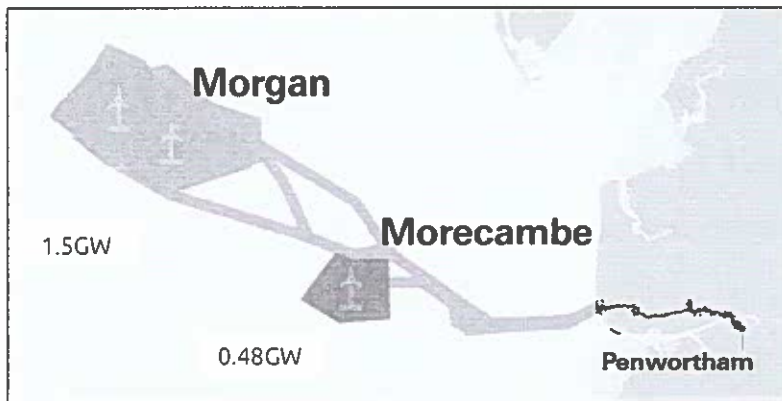


Figure 2: Morgan and Morecambe Proposed DCO route to Penwortham

The assessment was conducted by a multi-disciplinary team comprising Genecon (economics), Pell Frischmann (engineering and environmental), Blake Clough Consulting (electrical and grid), and DWD (planning). The scope included:

- **An electrical and grid engineering assessment:** Reviewing transmission network capacities at 400kV and 275kV levels, identifying bottlenecks at the Stanah substation, and evaluating reinforcement requirements for various connection strategies, and ultimately cost estimates for alternative infrastructure solutions.
- **An environmental and ecological assessment:** A desk-based review of landfall suitability at Rossall Beach and potential impacts on the Morecambe Bay Special Protection Area (SPA).
- **An economic assessment** of any benefits that could be realised through variations to the route, focusing on development opportunities on the Fylde Coast at Blackpool Airport Enterprise Zone, or Hillhouse Technology Enterprise Zone.

1.2 The Alternative Northern Route

Partners have assembled an alternative proposal whereby both Morgan and Morecambe land at an alternative beach at Rossall further north on the Fylde Coast, and proceed inland approximately 5km to the Hillhouse Technology Enterprise Zone, to terminate at either a new substation or at Stanah (which is adjacent to Hillhouse Technology Enterprise Zone). From the electrical and grid engineering assessment, a new substation at Hillhouse is a more viable proposition.

This route traces most of the route inland that has been suggested at pre-application stage by Moor Vannin promoter Ørsted, but instead of continuing underground to Penwortham, terminating instead at a new substation at Hillhouse, before accessing the existing overhead lines from Stanah-Hambleton-Penwortham.

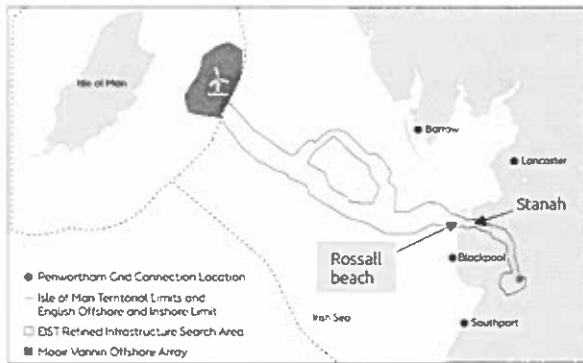


Figure 3: Moir Vannin ("Isle of Man's first Offshore WF")

1.3 Addressing Constraints at Hillhouse Technology Enterprise Zone

The study specifically focused on the **Hillhouse Technology Enterprise Zone**, a 138-hectare brownfield site with a legacy of chemical manufacturing. Despite its Enterprise Zone status, and advantageous local development orders, the site faces severe, multi-faceted constraints that have limited job growth to just 75 additional roles since 2016.

Key barriers identified include:

- **Energy Export Constraints:** While the site has energy demand headroom, it is severely limited by the poor export capacity at the Stanah substation. This has acted as a "drag" on financial viability, preventing any meaningful energy-generating uses from materialising, despite proposals for Energy from Waste and Hydrogen storage.
- **Transport Accessibility:** The site is currently accessed through a predominantly residential area, which causes accessibility challenges for different types of industrial uses, thus hurting job growth at the site. The absence of a bridge or at-grade crossing over the disused railway line remains a core barrier to plots being absorbed for employment use, proposals are being developed to mitigate this, but the job growth trajectory means there is a lack of strategic imperative to act.
- **Contamination and Assembly:** As a former ICI site, it faces challenges related to land contamination and complex land ownership, which coupled with energy export and transport constraints means the site is quite unappetising for bringing forward private development.

1.4 Consideration of Blackpool Airport Enterprise Zone

The assessment also considered a southern route variation terminating at a new substation within the Blackpool Airport Enterprise Zone. The site has been quite successful locally and is largely built out with the exception of the former Wellington Bomber Factory, and any other plots which are as yet undeveloped have agreements or developed proposals. While this option does offer some cost savings and could accelerate the "Silicon Sands" data centre campus by approximately five years, it was found that stakeholders are already confident that power for this site will be delivered through other planned investments by 2035. Furthermore, this variation does not mitigate the environmental and community disruption associated with the long and buried cable route through the Fylde Coast.

1.5 Key Findings: Cost Savings and Project Viability

The findings of the study support assertions that there are significant financial cost savings through alterations to the infrastructure route that is proposed in the DCO -replacing the route with a Northern Route via Rossall and terminating to a new substation at Hillhouse Technology Enterprise Zone. This route would benefit from reduced underground cabling costs, lower disruption to communities, and would make use of the existing overhead infrastructure that exists between Stanah, Hambleton and Penwortham. The cost savings are estimated at £287 million for the Morgan and Morecambe wind farms, rising to over £500 million if coordinated with the forthcoming Mooir Vannin project.

Option	Cost	Versus BAU
Option A: Business as Usual, DCO Route		
Option A1: Morgan and Morecambe Only	£459.0m	-
Option A2: Morgan and Morecambe and Mooir Vannin	£869.7m	-
Option B: Connection to Hillhouse/Stanah		
Option B1: Morgan and Morecambe only	£218.1m	£240.9m
Option B2: Morgan and Morecambe and Mooir Vannin	£350.6m	£519.1m
Option C: Connection to Blackpool Airport EZ		
Option C1: Morgan and Morecambe only	£398.4m	£60.6m
Option C2: Morgan and Morecambe and Mooir Vannin	£663.1m	£206.6m

These savings materialise via:

- **Infrastructure Efficiency:** By landing cables at Rossall and utilising existing overhead transmission lines, the project can drastically reduce the volume of expensive underground cabling, reducing from circa 30km to 5km.
- **Improved Viability:** These savings are critical given the current investment climate. The report notes that developers EnBW have already withdrawn from the Morgan project due to lack of financial viability from failing to secure Contracts for Difference (CfDs) from the UK government, and from construction cost inflation. Reducing capital expenditure by half a billion pounds could significantly improve the overall viability and deliverability of the Morgan wind farm. This could potentially allow it to secure a CfD at a lower strike price than was previously required to make the project viable. EnBW are well capitalised, and have an estimated 50bn EUR to invest, without intervention it appears they are looking to deploy capital elsewhere in Europe where they are able to make the required viable return. This loss of this foreign direct investment could be a real missed opportunity for the UK given the Government's ambition for the UK to reach up to 50 GW of clean energy from offshore wind by 2030. At the end of 2024, the UK had an offshore wind capacity of just 16 GW.

1.6 Unlocking Economic Growth

Establishing a new substation at Hillhouse has the potential to unlock considerable additional jobs and Gross Value Added (GVA) by transforming the site's underlying economic fundamentals, and improving the business case for transport investment to facilitate improved access to the site.

There are also benefits to an alternative solution with a substation at Blackpool Airport EZ, but there are potential technical constraints, lower (though significant) costs savings, and an economic benefit that is about acceleration rather than a change of trajectory.

For Hillhouse Technology Enterprise Zone, a change of infrastructure solution to develop a new substation on the site, with a tee-in to the existing Stanah-Hambleton-Penwortham overhead lines and associated upgrades is expected to yield the following benefits:

- **Employment:** The transition is expected to support 1,100 additional jobs compared to the current trajectory, driven by the arrival of energy-generating uses and subsequent energy-intensive industrial uses.
- **GVA Uplift:** The local economic benefit is projected to range between £99 million and £177 million per annum. The upper bound represents an 8.6% uplift in the total GVA of the Wyre borough. Over the 10-year period from 2030 to 2040 (when the wind farms were expected to become operational), this is a gross uplift of £999m to £1.77bn.
- **Strategic Catalyst:** Infrastructure improvements would strengthen the case for the £8m–£10m transport investment needed for a new site crossing, which would enable the build-out of 63 hectares of available development land, which has otherwise only seen development over the last decade of just 76 more jobs.

1.7 Environmental and Ecological Summary

A high level environmental and ecological assessment has been undertaken for the proposed alternative Northern Route from Rossall to Hillhouse. In correspondence with Council Leaders, NESO noted “onshore cable routing options to Stanah would still need to pass through existing built development and environmentally sensitive areas, with these routes assessed as high adverse impact”.

From the ecological and environmental review undertaken for this report, the findings were more balanced. The review notes that some sections of the route intersect natural habitats and will require ecological consideration, but that “the majority of the route follows main roads consisting of developed land and sealed surfaces with minimal ecological value”.

The review recommends further investigation, but has the expectation that best practice construction methods could be followed to mitigate any potential impacts on priority habitats, watercourses and protected species. Standard mitigation methods are suggested to counteract any potential (but as yet unknown) adverse environmental and ecological impacts, but the overall conclusion is certainly not one of “high adverse impact”. **This suggests that pending further investigation, it is quite feasible that the route can be navigated without undue environmental and ecological harms.**

1.8 Conclusion and Recommendation

The evidence gathered indicates that the alternative northern infrastructure route is technically feasible and offers vastly superior economic and financial outcomes compared to the current DCO proposal. Given the scale of potential savings and the opportunity to revitalise a major regional industrial asset, it is the conclusion of this report that the findings merit a pause in decision-making.



This would allow local partners and the Secretary of State to assemble further evidence and refine the feasibility of this alternative route to ensure the maximum benefit for both Lancashire and the UK's net-zero transition.

The expected outcomes are improved economic and employment prospects on the Fylde Coast, of the order of an additional £1bn of GVA over the decade to 2040, and an additional 1,100 jobs.

The alternative northern route would entail avoidance of disruptions to residents (in contrast to the proposed DCO route), and significant cost savings which may well be of a quantum to rescue the viability of the 1.5GW Morgan Wind Farm, noting that EnBW have pulled out of the scheme.

Reduced infrastructure costs may reduce the strike price the transmission owner needs to secure in order to make the project viable, which could prevent this capital being deployed overseas by EnBW, supporting the UK's **energy security and energy generation**, as well as bringing about local economic benefits to residents on the Fylde Coast through additional jobs and economic output.

Given that timescales have effectively moved out on the delivery of Morgan and Morecambe and that EnBW has withdrawn their investment given the failure to secure an acceptable CfD with the Government, this does suggest the need to explore alternative, more economic route options. Combining this with the opportunity to integrate the planning with Moor Vannin, this would then deliver the £0.5bn of capital cost savings and therefore the opportunity for a more economic CfD agreement with Government.