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Dear Mr Bingham,

**Update on reform to the electricity connections process following proposals from the ESO: Ofgem
Open Letter, April 2024**

Getlink Projects 2 Limited ('Getlink') welcomes the opportunity to respond to Ofgem's Open letter on NGENSO's recent *Update on implementation of reformed connections process*. Getlink is currently in the early stages of development of a new GB-France interconnector through the Channel Tunnel, this project is referred to as the Cobalt interconnector.

Interconnectors are fundamentally point to point infrastructure requiring clarity on the point of connection at an early stage in their development. A robust and clear connection process is a key foundation of this and therefore the focus of our feedback to the Open Letter is framed in this context.

Overall, Getlink strongly supports the continuing work by the ESO and Ofgem to improve the electricity connection process within GB and clearly with a connection queue of 701GW's significant improvements to the efficiency of the process and the speed of connection are achievable. More specifically Getlink supports the broad principles of the recent TMO4 and TMO4+ proposals by the ESO, in particular the potential to remove non-progressing projects and advance the connection dates of viable projects within the connection queue as provided for within the 2-gate approach.

The following sections address each of Ofgem's expectations as requested by the Open Letter.

CAP 3.1: Raise entry requirements

Due to the early stage drafting of the TMO4+ the criteria for a project to show sufficient progress to successfully proceed through Gate 2 is limited. We note that whilst the current proposal predominately focuses on land and planning considerations there is reference to the potential addition of wider criteria in line with the development of the Strategic Spatial Energy Plan. We would welcome further clarity on any additional Gate 2 criteria as soon as it becomes available. We would also like to point out the potential subjectivity of this criteria assessment and would see significant benefit of this process being as objective as possible to remove uncertainty and provide consistency between projects. Failure to do so increases the likelihood of challenge and the potential of perceived bias given the ongoing competition for scarce network capacity.

We also suggest that it is worth considering whether additional assessment criteria outside of land and planning should be considered for a project to show sufficient progress within the Queue Management

process. Looking at interconnector projects in particular, whilst land and consents are one key milestone another significant factor in determining the viability of a project is its regulatory route in both the UK and the connecting country. By not including considerations which are critical to the regulatory framework within the connection process, this reform will not mitigate the risk that an interconnector project (and potentially projects of other technology types) successfully secures land and planning consents without any tangible route to commercial operations, resulting in the potential for unviable projects to continue to remain in and congest the connections queue, delaying the connection of viable projects.

Whilst the topics of securities and cancellation charges did not feature significantly within the TMO4+ update, we infer that such considerations are likely to be captured within the next stages of the proposal. Overall, an increase in securities and cancellation charges seems to be justified as a tool to deter speculative and unviable projects. We would however emphasise that any such increase must be limited to the extent that the charges remain reflective to the value at risk to consumers. Any adjustment passed this point will disproportionately favour larger developers and reduce competition within the development of new GB generation to the detriment of energy consumers. It is also worth highlighting that due to the number of ongoing reviews, including the Holistic Network Design and the Offshore Transmission Network Reviews, connection offers are at present being issued with no visibility on the scale of these charges. We would welcome clarity on these charges as early as possible to support efficient progression of projects through the connection process.

CAP 3.2 – Remove stalled projects

We view the ability to remove stalled projects from the connections queue as critical to achieving the overall objectives of this initiative. Information provided to date is not clear on how this will work beyond the intention to consider financial securities which will only assess the financial viability of the project developer to fund the development and not the viability of the realisation of the project. It is difficult to identify a consistent approach to all technology types and so any assessment for whether a project has stalled may need to be completed with a similar approach to that required when applying for a regulatory framework and include financial models and economic justification studies with clear project milestones.

Any project, however viable, carries a delay risk and removal of it from the connection queue could result in a feasible project becoming unfeasible. Removal of a project must therefore be completed with a view of the wider context of the project and not only a delay against milestones (i.e., were the delays unavoidable and outside of the developer's control).

CAP 3.3: Better utilise existing network capacity

We do not have specific comments on Ofgem's views but fully support the intent. However, we would support increased transparency and scrutiny of the ESO's studies in this area including studies used to identify network capacity beyond identifying enabling works. For instance, we note that the Constraints Study¹ used in Ofgem's Cap and Floor Window 3 assessment had a significant bearing on

¹ ESO Modelling Report: Cap and Floor Window 3 and OHA Pilot Scheme Needs Case Assessment:
<https://www.ofgem.gov.uk/sites/default/files/2024-03/ESO%20CF%20W3%20Report%20-%20Final.pdf>

decisions with very little to no transparency on the approach and underlying assumptions. It is imperative that these studies should carry a level of transparency to ensure they are repeatable by third parties to support developers finding efficient solutions. Furthermore, the ESO's use of flexible large scale connected assets (such as interconnectors) is low, with little coordination with TSO's in connected markets to ensure that cross-border actions are being used to free more capacity or increase security margins. Whilst outside of the connections process, this is crucial to achieving the wider reform ambitions.

CAP 3.4 – Improve data and processes, and sharpen obligations and incentives

We fully support Ofgem's expectations in this area. In particular, consideration for different technologies and how their readiness may be considered when confirming a connection point and timing. As we have mentioned previously, for interconnection projects, certainty on the point of connection at an early stage of development is a critical requirement for viable project development due to their point-to-point nature. This is the case much more so than for generation (for instance) as the location of the plant comes first and then the point of connection.

We would also support consideration for socio-economic value when prioritising projects (as is the case when applying for a regulatory framework). This will support higher economically advantageous projects connecting sooner and allow the assessment process to align with wider economic ambitions such as achieving our net-zero targets.

CAP 3.6: Develop longer term connections process models aligned with strategic planning and market reform

We have touched on many of Ofgem's expectations in this CAP within our views above. However, we would like to add that the ambitions of CAP 3.6 are only organised by the ESO through the connections process, delivery of the ambitions is achieved through the realisation of viable projects by the connecting parties. It is therefore of the utmost importance that the approved process is clear, consistent, predictable and transparent.

Ofgem's expectations for how the proposal is developed and decided upon

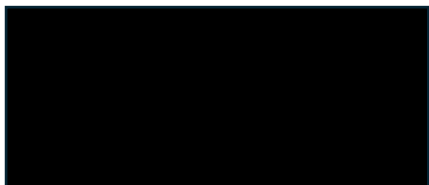
The expectations appear appropriate and will support the delivery of the ambitions of the reform. We would like to stress the importance of expectation number 8, as clearly the delivery date of 1st January 2025 is at risk given the context of wider changes the ESO is currently managing transitioning to the NESO entity. Managing the current connections queue pragmatically, transparently and efficiently should remain the priority whilst delivery of the reforms is applied.

Furthermore, the expectations of Ofgem should include a review at appropriate points beyond implementation to assess whether this initiative has met the ambitions. Adjustments should be possible if required and there should not be an assumption it will work in line with 7b. We would recommend a further expectation:

7c – a review that the reform has met the ambitions – we expect the ESO to monitor the effectiveness of the reform over the implemented period and suggest appropriate points beyond the 1st January 2025 for open public and government reviews on its effectiveness.

We hope that the points made above are clear but would welcome direct engagement with Ofgem or the ESO if helpful. We look forward to this reform being further refined and implemented over the coming months.

Yours sincerely,



ElecLink - COO Project Director, Cobalt