

**From:** viola langley [REDACTED]  
**Sent:** 21 February 2025 15:55  
**To:** Aquind Interconnector <[aquind@planninginspectorate.gov.uk](mailto:aquind@planninginspectorate.gov.uk)>  
**Subject:** Aquind Interconnector

Dear Jake,

Please find attached a recent joint statement from Ofgem and CRE, 13 February 2025.

This document states clearly that Ofgem has refused Aquind the 3rd Cap and floor application and CRE is only interested in one Interconnector of appx 1GW. In their consultation they were most likely to support Gridlink should France need this interconnector.

Please see below the Google translation of the attached statement.

"CRE, the French national regulatory authority (RNA), and Ofgem, the British NRA, have decided to

publish this joint statement in order to clarify to interested stakeholders and the industrial sector

their current position regarding the opportunity to develop new interconnection capacities

electricity between France and the United Kingdom.

France and the United Kingdom have been engaged in a partnership in the field of electricity since

the creation of the IFA interconnection in 1986, completed by IFA2 in 2021 and ElecLink in 2022, i.e. a

total existing interconnection capacity of 4 GW.

CRE and Ofgem regularly assess the opportunity to develop new capacities

interconnection, in particular by estimating the costs and benefits that could be expected from

such projects.

On the British side, Ofgem approved the regulatory framework for two additional projects between

France and the United Kingdom. These projects, FAB Link and GridLink, obtained in principle a regime

of cap and floor respectively in 2015 and 2018. In 2022, the reassessment of the FAB Link project concluded

that this project was still likely to be in the interest of current British consumers and

future. In 2024, Ofgem rejected AQUIND's application to benefit from the cap and floor regime.

"On the French side, RTE sent to the CRE in 2023 its preliminary analysis concerning four projects

on the border between France and the United Kingdom (ElecLink 2, FAB Link, GridLink and AQUIND). The CRE has

subsequently published a study on the value of new interconnection capacities between France and

United Kingdom and concluded that, under certain conditions, additional interconnection capacity

of around 1 GW could provide benefits for France. The CRE analysis highlighted that

the benefits for France were insufficient compared to the cost of the project if the costs and revenues

were shared equally between the United Kingdom and France. Only a redistribution of costs

between the two countries was likely to be considered acceptable for the continuation of the projects.

The NRAs have initiated in-depth discussions on this point in order to study the possibilities of

development of a new interconnection between the United Kingdom and France. Considering

the recent increase in the costs of DC cables and converters and the need current to strengthen national networks where congestion is anticipated, the NRAs are agreed on the need to continue discussions. These discussions will focus on (1) conditions required to allow the increase of approximately 1 GW in interconnection capacity between the United Kingdom and France and (2) the issue of sharing costs and revenues between the two countries, in with a view to publish an updated joint statement on the regulators' positions by the end of October 2025.

The NRAs have also committed to carrying out a longer-term joint study to study and to determine the need for projects between the United Kingdom and France, as well as the potential cost-sharing mechanisms for these projects. These processes will also be coordinated with assistance from the transmission system operators concerned, where applicable."

Regards,  
Viola Langley  
LSA

Email: [InterconnectorDelivery@ofgem.gov.uk](mailto:InterconnectorDelivery@ofgem.gov.uk)

Date: 13<sup>th</sup> February 2025

To interested parties,

CRE, the French Energy Regulatory Commission, and Ofgem, Great Britain's (GB) independent energy regulator (hereinafter jointly referred to as the National Regulatory Authorities or **'the NRAs'**), have decided to release this joint statement to provide clarity to stakeholders and the industry on the current position regarding the opportunity for further electricity interconnection capacity to be built between France and the United Kingdom (UK).

France and the UK have been involved in an electricity partnership since the creation of the IFA interconnector in 1986, supplemented by IFA2 in 2021 and ElecLink in 2022, amounting to a total existing interconnection capacity of 4GW.

The NRAs regularly assess the opportunity to enable new interconnection capacity, in particular by estimating the costs and benefits that could be expected from such projects.

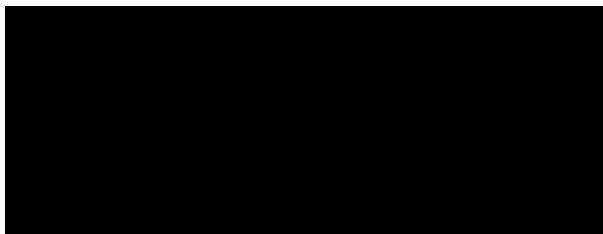
In the UK, Ofgem has granted regulatory approval to two additional projects between France and the UK. The projects, FAB Link and GridLink, were granted the cap and floor regime in principle in 2015 and 2018, respectively. In 2022, FAB Link underwent an updated needs-case review, concluding that the project was likely still in the interest of current and future GB consumers. In 2024, Ofgem rejected AQUIND's application for a cap and floor regime.

In France, RTE (Réseau de Transport d'Électricité, France's Transmission System Operator) provided CRE with its preliminary analysis of four projects between France and the UK in 2023 (ElecLink 2, FAB Link, GridLink and AQUIND). Subsequently, CRE published a study on the value of new interconnection capacity between the two countries and found that under certain conditions, a capacity of around 1GW of new interconnection could be beneficial for France. CRE's analysis highlighted that the benefits for France were insufficient compared to the costs of a new project if the costs and revenues were shared equally between the UK and France. Only a redistribution of costs between the two countries was likely to be considered acceptable for projects to proceed.

The NRAs have engaged in detailed discussions focused on the above to explore the potential for interconnection development opportunities between the UK and France. Given the recent cost escalation of HVDC cables and converters, and the current need to reinforce the national networks where congestion is anticipated, the NRAs have agreed that further discussions are needed. These discussions will consider (1) the conditions required to enable c.1GW of increased interconnector capacity between the UK and France, and (2) the issue of cost and revenue sharing between the two countries, with a view to publishing an updated joint statement on regulatory positions by the end of October 2025.

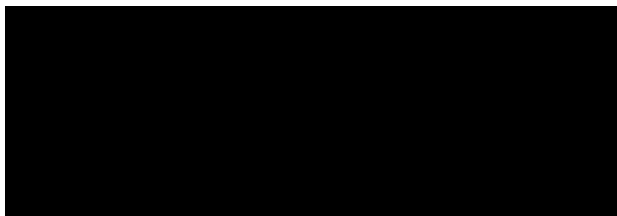
The NRAs have also committed to the prospect of conducting a joint study in the longer term, to further explore and establish the need for projects between the UK and France, and the potential cost sharing mechanisms for these projects. These processes will also be coordinated with the help of the relevant Transmission System Operators where required.

Yours sincerely,



**Director, Major Projects**

*Signed on behalf of the Authority and duly authorised for that purpose*



**Présidente de la Commission de Régulation de l'Energie (CRE)**