



**AQUIND Limited**

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## **AQUIND INTERCONNECTOR**

First Written Question Responses – Appendix  
11 Euro Figures Converted to Pounds Sterling  
(CA1.3.58)

The Infrastructure Planning (Examination Procedure) Rules 2010, Rule 8(1)(b)  
The Planning Act 2008

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# 1. EURO FIGURES CONVERTED TO POUNDS STERLING (CA1.3.58)

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- 1.1.1.1. This note responds to Written Question CA1.3.58 which requests a table to show the Euro figures in the Needs and Benefits Report (APP-115) and the Planning Statement (APP-108) in Pounds Sterling adopting an exchange rate of 1.13 Euros to the Pound. As well as currency conversions some of the figures have been subject to updated calculations. The Pounds Sterling figures in the third column are not therefore always simply a conversion from Euros. The Notes column provides relevant commentary and reference to the Needs and Benefits Addendum submitted at Deadline 1.

**Table 1 - Euro figures in the Needs and Benefits Report (APP-115) and the Planning Statement (APP-108) in Pounds Sterling**

Page	Original text	Replacement text (including conversion to £)	Notes
<b>Needs and Benefits Report (APP-115)</b>			
<b>Executive Summary</b>	...have a total upfront investment cost of €1.4 bn...	...have a total upfront investment cost of £1.26 bn...	As explained at para 2.7.1.2 of the Needs and Benefits Addendum (document reference 7.7.7) the costs of the UK onshore components of the project in the UK (i.e. the onshore cable route, converter station and all construction works) are estimated represent around £0.4bn of the total investment cost.
<b>Executive Summary</b>	...it is expected to deliver net socio-economic benefits to Europe of €1.3 bn...	...it is expected to deliver net socio-economic benefits to Europe of £1.3 bn...	Not a direct Euro to Pounds Sterling conversion. The figure of £1.3bn represents the correct current figure based on the latest regulatory submission.
<b>Executive Summary</b>	delivering a total benefit of €2.2 billion for GB consumers	delivering a total benefit of £2.1 billion for GB consumers	Not a direct Euro to Pounds Sterling conversion. The Needs and Benefits Addendum provides an update based on AQUIND's Cost Benefit Analysis. As explained at paragraph 3.1.1.3 of the Needs and Benefits Addendum the reduction in wholesale electricity prices as a result of AQUIND Interconnector is predicted to result in net consumer benefit ranging from between £2bn and £3.8bn over the first 25 years of operation (in net present value terms) depending on economic scenarios. The £2.1 figure quoted relates to the AQUIND Interconnector Market Scenario.
<b>Executive Summary</b>	€333 m benefit from reduced Expected Energy Non Served	£207m benefit from reduced Expected Energy Non Served	Not a direct Euro to Pounds Sterling conversion. This represents an update to the calculation following Ofgem comments. The pounds sterling figure of £207 is the correct current figure.
<b>2-5</b>	AQUIND Interconnector will create 120 (+ / -20) m € / year and 130 (+ / - 10) m € / year of social economic welfare benefits across Europe respectively	AQUIND Interconnector will create 106 (+ / -18) m £ / year and 115 (+ / - 9) m £ / year of social economic welfare benefits across Europe respectively	Direct Euro to Pounds Sterling conversion
<b>2-7</b>	AQUIND Interconnector's modelling has quantified the EENS benefit through a 'Monte Carlo' simulation of generation and transmission systems, simulated across several climatic years and estimated a total benefit of	AQUIND Interconnector's modelling has quantified the EENS benefit through a 'Monte Carlo' simulation of generation and transmission systems, simulated across several climatic years and estimated a total benefit of	As above, this represents an update to the calculation following Ofgem comments rather than an exchange rate conversion. The pounds sterling figure of £207 is the correct current figure.

Page	Original text	Replacement text (including conversion to £)	Notes
	€333 m in present value terms over the 25 years of operation.	£207 m in present value terms over the 25 years of operation.	
2-9	Overall, AQUIND Interconnector estimates that it will make around €101 m of tax transfers to HM Treasury over the first 25 years of operation.	Overall, AQUIND Interconnector estimates that it will make around £122 m of tax transfers to HM Treasury over the first 25 years of operation.	Not a direct Euro to Pounds Sterling conversion. The figure of £122m updates and corrects the figure in the original Needs and Benefits Report. £122m is the latest figure for the corporate tax that Aquind is forecasted to pay.
3-22	There is €5.35 billion in funding available for PCIs from the Connecting Europe Facility (CEF)	There is £4.73 billion in funding available for PCIs from the Connecting Europe Facility (CEF)	Direct Euro to Pounds Sterling conversion
3-26	In particular, GB consumers continue to benefit significantly from lower wholesale electricity prices, which leads to a net consumer welfare benefit of €2.1 bn over the first 25 years of AQUIND Interconnector's operation (compared to €2.2 bn in the AQUIND Interconnector Market Scenario which assumes a 'soft' Brexit outcome)	In particular, GB consumers continue to benefit significantly from lower wholesale electricity prices, which leads to a net consumer welfare benefit of £2,04m over the first 25 years of AQUIND Interconnector's operation (compared to £2,06m in the AQUIND Interconnector Market Scenario which assumes a 'soft' Brexit outcome)	Not a direct Euro to Pounds Sterling conversion. These represent updated figures presented in Pounds Sterling (te £2.06 figure is the £2.1 figure quoted elsewhere with an additional decimal place to show the difference with the harder Brexit scenario).
Appendix 1, page 3	Refer to table on page 3 of Appendix 1	Refer to Table 2 of this document	
<b>Planning Statement (APP-108)</b>			
4-30	The Project will have a total upfront investment cost of €1.4bn	The Project will have a total upfront investment cost of £1.26bn	The UK onshore components of the project in the UK (i.e. the onshore cable route, converter station and all construction works) are estimated represent around £0.4bn of the total investment cost.
4-30	...it is expected to deliver net socio-economic benefits to Europe of €1.3 bn...	...it is expected to deliver net socio-economic benefits to Europe of £1.3 bn ...	As above the figure of £1.3bn represents the correct current figure based on the latest regulatory submission.
4-30	delivering a total benefit of €2.2 billion for GB consumers	delivering a total benefit of £2.1bn for GB consumers	Not a direct Euro to Pounds Sterling conversion. The Needs and Benefits Addendum provides an update based on AQUIND's Cost Benefit Analysis. As explained at paragraph 3.1.1.3 of the Needs and Benefits Addendum the reduction in wholesale electricity prices as a result of AQUIND Interconnector is predicted to result in net consumer benefit ranging from between £2bn and £3.8bn over the first 25 years of operation (in net present value terms) depending on economic scenarios.

Page	Original text	Replacement text (including conversion to £)	Notes
4-30	€333m benefit from reduced Expected Energy Non-Served	£207m benefit from reduced Expected Energy Non Served	As above
7-130	The Project will raise investment from the market sources and have a total upfront investment cost of €1.4 bn and an expected operational lifetime of 40 years. During the first 25 years of its operation, it is expected to deliver net socio-economic benefits to Europe of €1.3 bn	The Project will raise investment from the market sources and have a total upfront investment cost of £1.26 bn and an expected operational lifetime of 40 years. During the first 25 years of its operation, it is expected to deliver net socio-economic benefits to Europe of £1.3 bn	The figure of £1.3bn represents the correct current figure based on the latest regulatory submission.
7-130	The Project will benefit the UK on all aspects of the "energy trilemma" by reducing wholesale electricity prices (delivering a total benefit of €2.2 bn for GB consumers), by enhancing the security of supply (€333 m benefit from reduced Expected Energy Non Served)	The Project will benefit the UK on all aspects of the "energy trilemma" by reducing wholesale electricity prices (delivering a total benefit of £2.1bn for GB consumers), by enhancing the security of supply (£207 m benefit from reduced Expected Energy Non Served)	Not a direct Euro to Pounds Sterling conversion. This represents an update to the calculation following Ofgem comments. The pounds sterling figure of £207 is the correct current figure.
7-130	The Project will also generate significant tax revenues estimated at around €101 m of tax transfers to HM Treasury over the first 25 years of operation.	The Project will also generate significant tax revenues estimated at around £122 m of tax transfers to HM Treasury over the first 25 years of operation.	As above, not a direct Euro to Pounds Sterling conversion. The figure of £122m updates and corrects the figure in the original Needs and Benefits Report. £122m is the latest figure for the corporate tax that Aquind is forecasted to pay.

**Table 2 – Needs and Benefits Report (APP-115 - Appendix 1 table presented in Pounds Sterling)**

Project name	Connecting Country	Capacity	Status	CEF support[1]	Completion date[2]
<b>ElecLink</b>	France	1 GW	Under construction	£0.5 m + £0.2 m	2020
<b>NSL</b>	Norway	1.4 GW	Under construction	£27m	2020
<b>IFA 2</b>	France	1 GW	Under construction	£5 m	2020
<b>Viking Link</b>	Denmark	1.4 GW	Consents approved	£13.1 m	2022
<b>FAB Link</b>	France	1 GW	<a href="#">Awaiting consents[3]</a>	£6.4 m	2023
<b>Greenlink</b>	Ireland	0.5GW	Scoping	£3.7 m + £3.2 m	2022



Project name	Connecting Country	Capacity	Status	CEF support[1]	Completion date[2]
NeuConnect	Germany	1.4GW	Scoping	-	2022
GridLink	France	1.4GW	Scoping <sup>73.</sup>	£13.5 m	2022
NorthConnect	Norway	1.4GW	Scoping	£9.6m	2023
<b>Total</b>		<b>10.5 GW</b>			

