From: [redacted]
To: Aquind Interconnector
Subject: OFH 7th December 2020 - Transcript of Representation
Date: 01 December 2020 09:56:00
Attachments: Aquind OFH Submission.pdf

Dear Sirs,

Please find attached a copy of the transcript of my representation to the Inspectorate on 7th December 2020. Five minutes does not enable me to represent the points I wish to raise in detail so this document will be edited at the OFH to stay within the time limit. A full submission with substantiating documents will be submitted before Deadline 6 on 23rd December for consideration by the Inspectors.

Kind regards

Cllr Judith Clementson
WCC Member for Denmead Ward

PLANNING INSPECTORATE INQUIRY : AQUIND INTERCONNECTOR

OPEN FLOOR HEARING : 7TH DECEMBER 2020

SPEAKER:

Cllr Judith Clementson – Denmead Resident and WCC elected member for Denmead Ward

Thank you, Gentlemen, for the opportunity to speak. I am speaking as a resident of Denmead and as a Winchester City and District Councillor elected by the residents to represent their interests. I am neither an expert in the energy markets nor the construction of power generators or transmitters and have only a limited understanding of the complexities of this project.

I fully concur with the many valid and detailed planning submissions made by all the relevant Local Authorities and also share the concerns and views expressed by people and organisations opposing this project. I will not repeat the reasons for their objections to the granting of a DCO but ask that my concurrence with their views is recorded.

The massive impact this proposed project will have on our communities, if approved, have been well documented and, although I realise that the role of Planning Inspectorate is to consider the planning implications, I believe it is also important to bring to the Inspectorate's attention other commercial and economic considerations which may jeopardise the basis upon which the application by Aquind Limited has been made.

Since Aquind's inception in 2014, there have been three very relevant, direct and significant changes globally, and specifically in the UK, which may undermine the financial viability, sustainability and long term benefits to the British consumer of this proposed interconnector. These events may change considerably our ***demand for*** and ***use*** of imported electricity and are:

- **Brexit**
- **The declaration of a Climate Emergency, and**
- **The Covid 19 Pandemic**

Before considering these three events further, I would first like to mention the **Rochdale Envelope approach** being used by Aquind to cost this project. Whilst I understand its purpose, I am concerned that this approach leaves an opportunity for costs to escalate when the project details have been finalised and costed. Although the Aquind project is to be privately financed, their submission gives no indication of the depth of the finance available to ensure completion of the project. **I therefore ask what funding guarantee is in place to ensure that Portsmouth would not be left with a half completed project if costs escalate beyond the level of secured funding?**

As a cautionary tale, I refer to the HS2 project initially estimated to cost £37.5bn. In 2019, this rose to between £72.1 and £78.4bn because *"ground conditions were "more challenging than predicted"* and early estimates were *"overly optimistic*". Subsequently,

these estimates have been re-evaluated and are expected to rise £110bn because the 2019 review is deemed to have "*underestimated the cost including the compulsory purchase of property on the route amongst other things*".

Bearing HS2 in mind this and the fact that the Aquind Interconnector route will require the purchase of private land, it seems prudent to ask **on what basis has Aquind estimated £1.3bn project cost and what contingency uplift has been included for costing aspects of the project which have yet to be detailed?**

Brexit and the Funding of the Aquind Project:

In 2014, at the inception of the Aquind project, the British people had not yet voted to leave the European Union but, in 2018, it looked certain that the UK would remain linked closely to the EU despite the 2016 referendum result. However, it is now becoming more likely that we will leave on 31st December 2020 without a deal causing uncertainty about our future relationship with Europe. This may cast further doubt on Aquind's ability to get approval for the Project from the EU despite the recent overturning of the Acer appeal decision by the European General Court on a legal technicality. I believe, Aquind is also still awaiting the outcome of an appeal against the loss of its PCI status in the 2020 listings. According to Aquind, both these are fundamental to them being able to secure the necessary financial investment.

In addition, at the time of writing, a trade deal between Britain and the EU has not been agreed which may result in a vastly different basis for trading electricity as we may no longer benefit from membership of the EU's Internal Energy Market.

As the main purpose of cross border interconnectors is, as I understand it, to provide the security of supply and to enable cheaper electricity for the British consumer, it seems a relevant consideration.

Given the uncertainty of Brexit and our continued membership of the Internal Energy Market, I therefore question the reliability of the **projected savings to UK consumers of £2.3bn** and ask Aquind on what basis they calculated these savings and **whether such calculations have been updated to take into consideration the three significant changes mentioned above?**

The Declaration of a Climate Emergency

The world is facing climate change and the need to reduce carbon emissions. Our Prime Minister has recognised this and committed to ensure our energy supply in future is based on clean and sustainable energy sources and we are already seeing a move to greener energy production in the UK to replace fossil fuel energy generation. The new, high efficiency, Drax Combined Cycle Gas Turbine power station together with the promised additional off shore wind farms and other renewable energy production, indicates that we are moving towards a greater level of home produced energy.

Buildings are now constructed using smart technology and the use of photovoltaic solar panels make them far more energy efficient and/or self sufficient thus reducing the demand for electricity.

However, the proposal to transit from petrol and diesel fuelled vehicles to electric vehicles by 2035 means the installation of vehicle charging points in readiness. The demand for electricity to charge vehicles may therefore negate the savings from greener construction but recent research suggests that an EV will have to have travelled 55,000 miles before its benefit will contribute to the net zero carbon targets.

Concerns are also being voiced about the production of lithium-ion batteries and, indeed, the sustainability of the increased demand for copper and other metals which may see the Li-ion battery, EV market short lived hydrocarbon fuel cell technology advances rapidly and may well become the future means by which vehicles are powered further reducing the demand for electricity in the UK.

Whether the Aquind Interconnector will actually be necessary to provide additional electricity to the UK is not confirmed but, in its document dated 10th February 2020, *Journey to Net Zero*, the National Grid Group Plc was asked the question: "*Can the UK energy grid really cope with a huge increase in the number of electric vehicles being plugged in for charging?"*

Their published answer was: "*There are two aspects to whether we have the capacity to manage lots of EVs being plugged in at once: whether we have enough energy and then whether we have sufficient capacity on the wires that carry that energy to where it's needed.* ***Enough capacity exists***

With the first of these, the energy element, the most demand for electricity we've had in recent years in the UK was for 62GW in 2002. Since then, due to improved energy efficiency such as the installation of solar panels, the nation's peak demand has fallen by roughly 16 per cent. Even if the impossible happened and we all switched to EVs overnight, we think demand would only increase by around 10 per cent. So we'd still be using less power as a nation than we did in 2002 and this is well within the range of manageable load fluctuation."

COVID 19

The Covid 19 pandemic has forced society to rethink the way that we work, shop, socialise and travel. 'On-line shopping' was already having an impact on town centres prior to Covid and subsequent restrictions have forced more people to shop this way resulting in many retail business closing their outlets.

It is also apparent that many office bound staff can carry out their jobs equally efficiently from home offices thus reducing travel and the demand for energy to heat and light large office buildings. This Inquiry is a prime example of digital technology reducing energy demand.

Conclusion

Unfortunately, it is difficult in the time allotted to highlight the very real concerns relating to the Aquind Interconnector project outside of the many planning issues but I have tried to briefly address each aspect and believe they are worthy of deeper consideration.

There is already 4GW of interconnector capacity currently on-line in the UK and a further 8GW interconnector capacity either approved or currently under construction. We will not know for some the Covid pandemic has permanently reset the way our society behaves and whether such behaviour will significantly impact the demand for electricity in the UK. If so, there is likely to be an over supply both here and in Europe, which would mean priority is given to the use of the interconnectors operating under the 'cap and floor' regime to prevent the British consumer having to meet the 'below floor' payments.

Would that impact Aquind's financial viability? What happens if it lays dormant? Is the fibre optic cable the greater commercial investment?

With the eagerly awaited UK Energy White Paper, due to have been published in 2019, it is possible that it will conflict with the 2011 Overarching National Policy Statement for Energy (EN-1) upon which the Aquind Interconnector decision will be considered and, in the light of the significant events mentioned above, any decision to recommend the granting of a DCO may therefore be based on out-dated and now irrelevant information.

With this in mind, I would respectfully suggest that it would be prudent to 'wait and see' if further interconnector capacity will still be required when the other already constructed or approved interconnectors come on line and the longer term impact of Brexit and the Covid pandemic become apparent before recommending to the Secretary of State that the Aquind Interconnector be awarded a DCO.

Thank you.