From:
To: Aguind Interconnector

Subject: Final Transcript of Submission to OFH **Date:** 07 December 2020 10:47:05

Attachments: Aquind OFH Submission 5 mins Rev 1.pdf

I have previously submitted a transcript of what I had intended to say to the PINS this morning but, due to the time limitations, it was substantially redacted. Consequently, I attached a true transcript of what I verbally submitted this morning.

Kind regards

Cllr Judith Clementson

Ward Member for Denmead
Winchester City & District Council

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PLANNING INSPECTORATE INQUIRY: AQUIND INTERCONNECTOR

OPEN FLOOR HEARING: 7TH DECEMBER 2020

SPEAKER:

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

Good morning, I speak as a resident of Denmead and an elected Councillor for that Ward. I fully concur with the submissions made by Local Authorities and the concerns expressed by people and organisations opposing this project but I wish to highlight other considerations which may be relevant to this hearing.

Since Aquind's inception in 2014, there have been three very relevant changes affecting the UK, which will have a significant effect on our <u>demand for</u> and <u>use</u> of imported electricity. They are:

- Brexit
- Covid and
- The Climate Emergency

First, however, I would like to mention the <u>Rochdale Envelope approach</u> being used by Aquind to cost this project. Its use offers an opportunity for costs to escalate when project details have been finalised and although Aquind will consider this "commercially sensitive information" it is important to know if a guarantee is in place to ensure the level of secured funding will be sufficient to meet the full cost of the project?

As a cautionary tale, I refer to HS2 initially estimated to cost £37.5bn but due to ground conditions being "more challenging than predicted" and an "overly optimistic underestimation of the cost" the cost is now £110bn and rising. Therefore, 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 finalised?

Brexit

When Aquind began, Britain had not voted to leave the EU and after 4 years of negotiations, it is now becoming more likely that we will leave without a trade deal. Despite the recent overturning of the Acer appeal decision by the EGC, I do not believe Aquind have yet secured EU approval and their PCI status appears to have been removed. According to Aquind, this approval is fundamental to them being able to secure the necessary financial investment. Is this still the case?

Britain may not benefit from the EU's Internal Energy Market and our future access to the European utilities market is already threatend. As the main purpose of cross border interconnectors is, I believe, to provide the security of supply and to enable cheaper electricity for the British consumer, it seems relevant to ask is it still wise for Britain to be dependent on more imported electricity?

COVID 19

The Covid 19 pandemic has forced our society to rethink the way that we work, shop, socialise and travel. 'On-line shopping' has impacted town centres resulting in high street businesses closing.

Many people now work equally efficiently from home thus reducing travel and the energy needed to heat and light large office buildings. This Inquiry is a prime example of how digital technology can reduce demand for electricity.

Climate Change

There is a climate change emergency. The Drax CCGT power station and a promise of more off shore wind farms suggests Britain is moving towards a greater level of home produced green energy.

New buildings use smart technology reducing demand for electricity and although this may be offset by the move to electric vehicles, it is likely that EV technology will be short lived as concerns about the sustainability of lithium-ion battery production and the limited supply of copper and other metals will see it replaced by the rapidly advancing hydrocarbon fuel cell technology as the means to power vehicles whichwill further reduce demand for electricity in the UK.

The National Grid confirmed this year that electricity demand has fallen by 16% since its peak in 2002 and even if we all switched to EVs overnight, they estimate demand would only increase by 10% - still below the 2002 level and well within the range of manageable load fluctuations.

We have 4GW of interconnector capacity on-line and a further 8GW approved or currently under construction in the UK. We will not know for some time if **Brexit**, **Covid and the Climate Emergency** will permanently reset the way society behaves or how significantly it will reduce demand for electricity but, *if it does*, there is likely to be an over-supply both here and in Europe and, economically, it would then make sense to prioritise the use of the interconnectors operating under the 'cap and floor' regime to prevent British consumers funding 'below floor' payments.

How would this impact Aquind's long term financial viability?

What happens if there is no demand for imported electricity and Aquind lays dormant?

Given the above, is the inclusion of a commercial fibre optic cable now the prime reason for this project to proceed?

Following the Drax appeal, we know that a decision to grant a DCO to Aquind Limited will be based on the current National Policy EN-5. However, bearing in mind the significant events mentioned above, it is almost certain that the eagerly awaited UK Energy White Paper, which was due to be published in 2019, will conflict with EN-5 published in 2011 resulting in a decision **taken at this time** being based on an out-dated and possibly irrelevant policy document.

I would respectfully request, therefore, that the granting of a DCO is **NOT** recommended **at this time** citing that it would be prudent to 'wait and see' if further interconnector capacity is still required when the additional 8GW of already approved interconnectors come on line and the impact of Brexit and the Covid pandemic become apparent.

Thank you.