

The Utility Regulator
Queens House
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26 February 2025

Dear John,

Response to Utility Regulator's Draft Forward Work Programme 2025/2026

Transmission Investment (TI) is a leading independent electricity transmission business in the UK, with over ten years of experience developing, acquiring and managing large complex infrastructure projects. We are one of the largest managers of offshore wind transmission in GB, in total we currently have a portfolio of approximately 4GW and £3bn in capital employed. Transmission Investment is also leading the development of interconnector projects in support of the UK's Net Zero ambition. This includes a proposed 700MW link from Northern Ireland to Scotland, LirIC, as well as the FAB Link interconnector between GB and France.

We welcome the opportunity to comment on the Utility Regulator's Draft Forward Work Programme 2025/2026 (Draft FWP 2025/26). As stated in our response to the Utility Regulator's Draft Corporate Strategy 2024-29, we are supportive overall of the Utility Regulator's strategic objectives to support net zero goals. In particular, it is welcomed that interconnection is recognised as being part of the efficient solution to secure the electricity supply for Northern Ireland, as well as supporting the efficient integration and use of renewable energy sources.

We welcome the inclusion of the commitment to deliver a robust regulatory process to facilitate interconnection that promotes further market competition (*Strategic Objective 2, Project Reference 2.2*). The need for further interconnection between the Single Electricity Market and Great Britain has been recognised in many studies, including the ENTSO-E TYNDP, SONI's Tomorrow's Energy Scenarios, and a study by DNV for the Department of the Environment, Climate and Communications in the Republic of Ireland. Additional interconnection is expected to deliver wider benefits including socio-economic welfare, security of supply, reduced curtailment of wind, and helps to support net zero objectives. As outlined in our Socio-Economic Welfare study for LirIC (which we have shared with yourselves), we believe that the LirIC interconnector project can deliver significant benefits to Northern Irish energy consumers.

In December 2024 the Utility Regulator granted a transmission licence to the LirIC project, marking a key milestone in the continued development of the project, and completing the first phase of the Utility Regulator's two-phase approach. We welcome the commitment in the Draft FWP 2025/26 to deliver phase two, including the assessment of the need for interconnection, and following this, a Cap and Floor regime (a key regulatory feature, which is driving investment in interconnection in Great Britain). This next phase needs to progress urgently to enable a timely final investment decision to maintain the programme to meet Ofgem's condition for the project to be 'operational by end 2032'.

We would encourage the Utility Regulator to also work with the Department for the Economy, and its counterparts in Great Britain, to consider the benefits of a UK wide view on cost-benefit sharing mechanism, e.g. by considering the overall policy support costs for UK wide renewable capacity development and intra-UK infrastructure costs.

We also welcome the inclusion of a commitment to progress a workstream for TSO Certification in Northern Ireland for future interconnectors. This is another key milestone ahead of commercial operation and as such we would urge the Utility Regulator to commit the necessary resources for this process, so the benefits of additional interconnection can be realised as soon as possible.

We continue to support the expansion of the Utility Regulator staff to have the capacity to keep with the pace of the energy transition. A fully staffed regulator is critical in accelerating the industry change, to facilitate the unprecedented investment necessary for meeting Northern Ireland's Net Zero ambition.

We look forward to working with Utility Regulator in due course to deliver the actions and policies that will enable these important investments to be made, and if there are any questions on the content of this letter, we would be happy to discuss them.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Mark', with a long horizontal flourish extending to the right.

Mark Fitch
Corporate Development Director, for and on behalf of TI LirIC