

Sent by email to Workgroup CMP435: [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Dear Sirs,

I represent Arise Renewable Energy UK Limited, part of the Arise Group (<https://www.arise.se/en>).

Arise is one of Sweden's leading independent companies in renewable energy. Arise manages the entire value chain – from exploration and permitting to financing, construction, divestment and long-term management of renewable electricity production.

Arise has been active in the UK since 2016 and is developing the following transmission connected projects:

- 70MW TEC onshore wind farm located near Wick, Caithness
- 100MW TEC onshore wind farm located near Broadford, Skye
- 280MW TEC solar / storage project located near Buckland Marsh, Oxfordshire

We have invested 8+ years and several million pounds in developing this portfolio of renewable energy projects, reflecting our commitment to the sector and confidence in the long-term benefits of clean energy. Through our development activities we are aware of the unique on the ground challenges that developers face and are working tirelessly to support the UK's transition to net zero.

Whilst we agree that the general direction of travel and the overall aims of the connection reforms process and commend these objectives as bold, I am writing in response to the proposed changes to the GB transmission connections process for existing connections via CMP434 and CMP435.

I wish to comment in the strongest possible terms that the changes proposed under CMP435, in particular the Gate 2 criteria, will have significant adverse, unfair and detrimental effect on our business and if implemented without adequate consideration and fair transition provisions, would severely impact our business operations, financial stability, and project viability. Our detailed comments are included as Annex One to this letter.

Arise has met its obligations under the connection agreements, including posting substantial financial securities, which may be rendered unnecessary. The new requirements jeopardize this substantial investment by imposing new criteria that were not anticipated during the planning and development stages creating great amounts of uncertainty.

We urge a reconsideration of these proposals to ensure a fair and equitable transition for all stakeholders.

Yours faithfully,



Director, Arise Renewable Energy UK Limited

London, 6<sup>th</sup> August 2024

## Annex One - Detailed comments regarding proposals per CMP434 / 435

### Material CUSC Change with Insufficient Notice

For existing connections, the Gate 2 requirement to hold 100% of the land under option agreement by reference to a density criterion constitutes a material change in policy. Implementing this change on such short notice does not provide sufficient time for compliance, disadvantaging projects that have already invested significant resources under the existing rules.

Further, without giving developers sufficient grace periods, you are tying the hands of developers such as Arise, who conduct commercially sensitive negotiations with landowners and agents, and essentially signal to them with this cliff edge that they can hold developers to ransom.

Finally, ESO will be aware from their own experiences of buying / selling property, concluding property transactions in the UK is a slow and onerous process. Projects involving crofters will need to work their way through the Scottish Land Courts. Developers should not be penalised for this through their lack of trying, where matters are stuck purely by process.

### Impact on Project Viability

The requirement to secure 100% of the land imposes to progress to Gate 2 a significant burden, especially for large-scale projects that may involve multiple landowners or complex land arrangements which are subject to commercial negotiation.

Further, this requirement might force us to purchase or lease additional land at inflated prices due to the urgency, leading to increased project costs and reduced financial viability for us and ultimately higher costs to consumers.

### Planning and Risk

Our projects have progressed through various stages of planning at considerable risk. The sudden introduction of new criteria of top-down imposed submission deadlines would disrupt this progress, potentially leading to delays or the need to revisit completed stages, which further increases costs and uncertainty.

Regarding CMP434 and CMP435, the deadlines that ESO have presented under Element 11 very much present a "best case" timeline to submit a planning application, and does not allow time for issues such as seasonality requirements for environmental surveys, site

specific issues that could not be foreseen at the time of application to be resolved nor general delays and puts developers in the position of needing ESO discretion to extend.

If extensions are not granted, the impact is that we risk losing our current connection points and dates. This loss could set back our projects significantly, as we would need to reapply and compete for new connection points, leading to potential delays and increased competition.

### **Retrospective Application of New Criteria**

The application of new criteria to existing agreements is effectively a retrospective change in policy. Retrospective changes undermine the principle of legal certainty, which is essential for business planning and investment. Businesses like ours made decisions based on the rules in place at the time, and changing these rules retroactively creates significant uncertainty and potential financial losses.

Not providing a reasonable and phased implementation plan introduces great regulatory uncertainty. This uncertainty affects not only current projects but also future investment decisions, as it erodes confidence in the stability and predictability of the regulatory environment.

### **Negative Impact on Net Zero Targets**

By delaying or jeopardizing projects that are already in advanced stages of development, the proposed changes could have a negative impact on the overall goal of achieving net zero targets. Established projects like ours are crucial for meeting these targets, and any disruption could hinder progress.

### **Increased Risk Profile**

The retrospective application of new criteria increases the risk profile of our projects. Investors and financiers may view the regulatory environment as unstable, making it more difficult to secure funding at favourable terms, or at all, for current and future projects.