

16th June 2023

Dear Mr Kaul,

Re: Ofgem's Open letter on future reform to the electricity connections process (16th May)

I am writing to you to welcome the open letter published recently by Ofgem on future reforms to the electricity connections process.

As the open letter rightly says, the UK is at a pivotal moment in its journey to net zero, and a modern, efficient national grid is a huge enabler to the decarbonisation of the energy sector and the economy as a whole.

As a developer of advanced nuclear reactors that, when deployed, will make a major contribution to the UK achieving net zero, MoltexFLEX agrees that action is both needed now, as well as the connections regime being fit for purpose.

The UK's national grid was designed at a time when power came from large, centralised power stations. A sustained lack of investment in the grid has led to a situation where new power projects are facing waits of over ten years to secure grid connections.

This creates a major deterrent for investment into clean energy projects, which undermines the viability of the UK's generation pipeline as the country seeks to decarbonise its energy sector.

Confidence in timely connections is a critical enabler to the development of and investment in UK clean energy technologies such as our FLEX reactor, as well as many others across the whole spectrum of low-carbon generation.

As you are aware, the future energy network will be more diverse and decentralised than the grid of the past. This will have potentially better decarbonisation outcomes, but, naturally, will be inherently more dependent on grid connections. To deal with this situation, the grid should move away from the current 'first come first served' method, and instead group projects geographically and chronologically, ensuring that intermittent sources of energy come online with dispatchable sources to allow the grid to effectively balance.

We are particularly concerned with the grid's infrastructure because, unlike nearly every other nuclear reactor design, our FLEX reactor can operate as a peak load technology as well as a baseload generator, supporting increased deployment of renewable energy to the grid through its rapid responsiveness to changes in demand. This is possible partly via the reactor's use of molten salt, which enables us to provide dispatchable generation, but also through our GridReserve energy storage system. Together, they can provide grid stability and responsiveness as more and more intermittent renewable energy sources come online - to the great benefit of the more decentralised and more variable energy system that we expect to see.

MoltexFLEX agrees with Ofgem's assessment that delivering new connections at scale will require a combination of strategic investment, efficient and flexible network management, and a connections process that is fit for the future. MoltexFLEX notes Ofgem's proposed



objectives, outcomes and guiding principles of grid connection reform but argues that the key issue to be addressed is the intermittency of renewable energy projects.

Many thanks,

David Landon

CEO, MoltexFLEX