

Dear Peter,

RE: Urgent Reform Needed for Electricity Connections Process

We at TUPA Energy Ltd welcome the opportunity to address the critical issues outlined in your recent Open Letter regarding the proposed reforms to the Electricity Connections Process. As developers of Battery Energy Storage Sites (BESS), we navigate the complex landscape of energy infrastructure development, with a focus on delivering projects from conception to the crucial "Ready to Build" (RTB) stage.

TUPA distinguishes itself by prioritising the creation of high-quality RTB assets, ensuring our projects stand up to rigorous due diligence and attract investment. With four completed RTB projects and more in the pipeline, we have a deep understanding of the challenges and opportunities within the energy sector.

Our response to the proposed two-gate process initiated by National Grid ESO is rooted in our commitment to efficient and sustainable energy infrastructure development. While we acknowledge the need to prioritise projects ready for construction, we caution against measures that could inadvertently stifle investment and hinder progress towards net zero emissions.

The current congestion in the connections queue is symptomatic both of longstanding deficiencies in anticipatory investment within the GB electricity system and a failure to monitor and administer connection contracts and implement existing contractual tools available to the ESO over a period of years. Regulatory frameworks that incentivise shortterm capacity utilisation over long-term expansion have hampered the development of a robust infrastructure capable of supporting rapid decarbonisation efforts.

TUPA firmly believes that the root cause of these challenges lies in the lack of adequate drivers for network monopolies to invest proactively. Despite ongoing dividends paid to shareholders, the failure to expand capacity in a timely manner has jeopardised the transition to cleaner energy sources, perpetuating reliance on carbon-intensive fuels and exacerbating climate-related risks.

The proposed two-gate process, while well-intentioned, fails to account for the intricacies of project development and funding dynamics. Requiring upfront investments and commitments without firm connection dates only serves to deter private capital and favour established entities with access to balance sheet funding. This imbalance not only undermines market competition but also undermines consumer interests and environmental objectives.

Moreover, the current approach neglects the diverse needs of demand-side projects and overlooks the significance of firm connection dates in attracting investment and enabling project progression. Without clear assurances and a conducive regulatory environment, developers face insurmountable obstacles that deter innovation and investment in critical energy infrastructure.



In light of these concerns, we urge Ofgem to reconsider the proposed reforms and explore alternative solutions that align with the objectives of efficiency, sustainability, and consumer protection. Strengthening incentives for network monopolies to meet firm connection dates and ensuring fair compensation for projects delayed by failures to deliver contractual obligations by the ESO/NGET are essential steps toward fostering a more equitable and resilient energy landscape.

In conclusion, we stand ready to engage constructively with Ofgem and industry stakeholders to address the systemic challenges facing the electricity connections process. Prioritising transparency, accountability, and long-term sustainability, the industry can forge a path towards a cleaner, more resilient energy future.

Sincerely,

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TUPA Energy Ltd

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