

To: NeuConnect Britain Limited

Cc: Department for Energy Security and Net Zero

Email: [Cap.Floor@ofgem.gov.uk](mailto:Cap.Floor@ofgem.gov.uk)

Date: 1 August 2025

To Whom It May Concern,

**Certification under the ownership unbundling requirements of the Electricity Act 1989: Decision of the Gas and Electricity Markets Authority (the Authority)**

1. NeuConnect Britain Limited (the **Applicant**) submitted an application under section 10B(2) of the Electricity Act on 7 January 2025, requesting to be certified pursuant to the ownership unbundling requirements (as set out in section 10F of the Electricity Act).
2. The ownership unbundling requirements are set out in sections 10A to 10O of the Electricity Act 1989 (the **Electricity Act**).
3. The Applicant holds an Electricity Interconnector Licence granted under Section 6(1)(e) of the Electricity Act to operate the NeuConnect interconnector. This licence authorises the Applicant to participate in the operation of the NeuConnect interconnector between Great Britain (Isle of Grain, Kent) and a place within the jurisdiction of another country or territory, being Germany (Wilhelmshaven). The Applicant is ultimately controlled jointly by Meridiam Investments 3 SAS (**Meridiam**) and Allianz SE. Meridiam is incorporated in France and Allianz SE is incorporated in Germany.
4. Under section 10B(3) of the Electricity Act, if the Applicant is controlled by a person from a country outside the United Kingdom, the Authority must, as soon as is reasonably practicable, notify the Secretary of State that an application from such a

person has been made. The Authority must also enclose with the notification to the Secretary of State any further information which, at the time of the notification, the Authority has in its possession and thinks is relevant to the question of whether the security of energy supplies in the United Kingdom would be put at risk by the certification of the Applicant.

5. We<sup>1</sup> requested additional information from the Applicant through a Request for Further Information letter on 10 March 2025 and a response was received on 17 April 2025. This date of 17 April 2025 represents the start of the reset of the 4-month period within which the Authority must take its decision on the Applicant's certification application.<sup>2</sup>
6. This letter sets out the Authority's decision, pursuant to section 10D of the Electricity Act, on the Applicant's application for certification.

### **Application for certification**

7. The Applicant requested certification on the first certification ground, pursuant to section 10E(3) of the Electricity Act. The first certification ground is that the Applicant meets the ownership unbundling requirements set out in section 10F of the Electricity Act.
8. The Authority is required to apply five tests as set out in section 10F of the Electricity Act to determine whether the Applicant meets the ownership unbundling requirements.

### **The first test**

9. The **first test** is that the applicant—
  - a) does not control a relevant producer or supplier (**RPoS**);
  - b) does not have a majority shareholding in a RPoS; and

---

<sup>1</sup> The terms "Ofgem", "the Authority", "we", "our" and "us" are used interchangeably in this document.

<sup>2</sup> Section 10D(2)-(3).

- c) will not, on or after the relevant date, exercise shareholder rights in relation to a RPoS.

10. The Applicant has confirmed that it does not control, nor hold shares in, any other company. Furthermore, the Applicant has provided a signed undertaking that, during the term of its interconnector licence, it will not exercise, or cause to be exercised on its behalf, any shareholder rights in relation to a RPoS. Therefore, the Applicant meets the requirements of the first test and this first test is therefore passed.

## The second test

11. The **second test** is that, where the Applicant is a company, partnership, or other business, none of its senior officers has been, or may be, appointed by a person who:

- a) controls an electricity undertaking which is a RPoS; or
- b) has a majority shareholding in an electricity undertaking which is a RPoS.

12. The Applicant has provided details of the process for appointing directors. Due to the confidential and commercially sensitive nature of this process, we have retained this part of our analysis for internal view only.

13. There are four indirect shareholders of NeuConnect Britain Limited: Meridiam; three Allianz shareholders (together **the Allianz Shareholders**); KPIC Netherlands B.V. (**KPIC**); and FI1 Limited (**FI1**).

14. The Applicant has stated that one shareholder has joint control in generation projects that are electricity undertakings which are RPoSs for the purposes of this assessment.<sup>3</sup> These generation projects are situated both in Europe and outside of Europe, including undertakings in GB and Germany.

15. Section 10F(9A) of the Electricity Act provides that the Authority may treat one or more of the five tests as passed provided the three conditions specified in paragraph

---

<sup>3</sup> The ultimate controllers and shareholders of the Applicant are detailed in paragraphs 3 and 13. We have not named specific entities in the remainder of this document due to the confidential and/or commercially sensitive nature of the information.

(9A) are met. Based on our assessment of information provided by the Applicant, we consider that the RPoSs jointly controlled by this shareholder do not give rise to a risk of discrimination or a conflict of interest, particularly due to their lack of geographical proximity to the NeuConnect interconnector. Furthermore, whilst this shareholder jointly controls generation interests that are considered RPoSs in Europe with other entities, the total generating capacity of the RPoSs located in Europe, in which the shareholder holds joint control, is de minimis relative to the total European Union electricity generation capacity (less than 0.1%). In GB and Germany, the RPoSs have financial mechanisms in place that make them largely insensitive to wholesale market fluctuations. As such, we are satisfied that this does not pose a risk of discrimination by the Applicant in favour of the relevant RPoSs.

16. The Applicant has also provided a copy of their implemented Commercially Sensitive Information (**CSI**) Policy, which provides guidance to the Applicant's board members on how CSI is applied by the Applicant, including details of who is responsible for managing CSI and relevant policies and procedures in place. The CSI Policy provides strict rules with respect to the directors of the Applicant, who are indirectly appointed by the shareholders. The Applicant has provided information on the procedures in place and we deem these measures appropriate in dealing with potential breaches of the CSI Policy. As such, we consider that the directors of the Applicant are effectively deterred from discriminating in favour of any RPoS undertakings that could give rise to a conflict of interest. We have reviewed the CSI Policy and consider it sufficient to manage potential conflict of interests, provided it is adhered to by the Applicant. Therefore, by applying the test contained in section 10F(9A) of the Electricity Act, the Authority considers it is appropriate to treat the second test as passed.

### **The third test**

17. The **third test** is that, where the Applicant is a company, partnership or other business, none of its senior officers is also a senior officer of an electricity undertaking which is a RPoS.
18. The information provided by the Applicant confirms that none of its directors is also a senior officer of an electricity undertaking which is a RPoS. The Applicant therefore meets the requirement of the third test and this third test is therefore passed.

## **The fourth test**

19. The **fourth test** is that the applicant is not controlled by a person who controls a RPoS.
20. The information provided by the Applicant confirms that it is controlled by a person which controls RPoSs both in Europe and outside of Europe. The applicant has confirmed that this person currently controls RPoSs in Germany and does not control any RPoS in the UK.
21. Section 10F(9A) of the Electricity Act provides that the Authority may treat one or more of the five tests as passed provided the three conditions specified in paragraph (9A) are met. Based on our assessment of information provided by the Applicant, we consider that the RPoSs outside of Europe controlled by this person do not pose a risk of discrimination or a conflict of interest, particularly due to their lack of geographical proximity to the NeuConnect Interconnector. Furthermore, we note that the total generating capacity of the RPoSs located in Europe, in which this person exercises control, solely or jointly with other entities, is de minimis relative to the total European Union electricity generation capacity (less than 0.1%). The RPoSs in Germany have low market shares and/or have provisions in place to limit exposure to market fluctuations, therefore limiting any influence on market pricing. As such, we are satisfied that this does not pose a risk of discrimination by the Applicant in favour of the relevant RPoSs.
22. Therefore, by applying the test contained in section 10F(9A) of the Electricity Act, the Authority considers it is appropriate to treat the fourth test as passed.

## **The fifth test**

23. The fifth test is that the applicant is not controlled by a person who has a majority shareholding in a RPoS.
24. As with the fourth test, the information provided by the Applicant confirms that it is controlled by a person which holds the majority shareholding in RPoSs both in Europe and outside of Europe. The Applicant has confirmed that this person currently has a majority shareholding in a RPoS in Germany and does not have a majority shareholding in any RPoS in the UK.

25. Section 10F(9A) of the Electricity Act provides that the Authority may treat one or more of the five tests as passed provided the three conditions specified in paragraph (9A) are met. Based on our assessment of information provided by the Applicant, we consider that the RPoSs outside of Europe in which this person holds investments and/or majority shareholding do not pose a risk of discrimination or a conflict of interest, particularly due to their lack of geographical proximity to the NeuConnect Interconnector. Furthermore, we note that the total generating capacity of the RPoSs located in Europe, in which this person holds investments and/or majority shareholding, is de minimis relative to the total European Union electricity generation (less than 0.1%). The RPoS in Germany has a low market share, therefore limiting any influence on market pricing. As such, we are satisfied that this does not pose a risk of discrimination by the Applicant in favour of the relevant RPoSs.

26. Therefore, by applying the test contained in section 10F(9A) of the Electricity Act, the Authority considers it is appropriate to treat the fifth test as passed.

### **Certification decision**

27. Based on the information contained in the application and further information provided by the Applicant, the Authority considers that each of the five tests are met (or can be treated as met) by the Applicant.

28. Meridiam is incorporated in France and Allianz SE is incorporated in Germany and are therefore controllers from a country outside the United Kingdom for the purposes of section 100 of the Electricity Act and this certification decision. We notified the Secretary of State on 16 June 2025 in accordance with section 10B(3) of the Electricity Act. On 25 July 2025, the Secretary of State concluded that certifying the Applicant would not put the security of electricity supplies in the United Kingdom at risk.

29. Our decision is that the Applicant is certified as independent on the basis that it has met the ownership unbundling requirement under section 10F(1) of the Electricity Act, as each of the five tests set out in section 10F has either been met by the Applicant or is treated as passed by the Authority in accordance with section 10F(9A) of the Electricity Act.

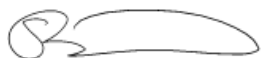
30. In accordance with sections 10H(1) and 10H(2) of the Electricity Act, the Applicant, being an interconnector licence holder pursuant to section 10H(1) of the Electricity Act and certified on the first certification ground, is designated as an electricity transmission system operator.

31. In accordance with section 10D(4) and 10H(4) of the Electricity Act, the Authority hereby notifies the Applicant and the Secretary of State of the certification and the designation of the Applicant.

32. In accordance with section 10I of the Electricity Act, the Authority will monitor whether the basis on which it decided to certify the Applicant continues to apply following the Authority's final decision and, if appropriate, will review its certification decision. This would include any supplementary documentation submitted by the Applicant in support of this application.

33. Attached to this letter is a copy of the certification decision made by the Authority. If you have any questions on this cover letter or our certification decision, please get in touch with Jade Li at: [Jade.Li@ofgem.gov.uk](mailto:Jade.Li@ofgem.gov.uk).

Yours sincerely,



**Stuart Borland**


**Deputy Director, Offshore Network Regulation**

Duly authorised on behalf of the Gas and Electricity Markets Authority

1 August 2025

**ELECTRICITY ACT 1989**  
**SECTION 10D**  
**CERTIFICATION – NeuConnect Britain Limited**

Pursuant to section 10D of the Electricity Act 1989 (the **Act**), the Gas and Electricity Markets Authority hereby grants NeuConnect Britain Limited<sup>4</sup> certification as independent under the ground set out in section 10E(3) of the Act, subject to the attached Schedule.



**Stuart Borland**

**Deputy Director, Offshore Network Regulation**

Duly authorised on behalf of the Gas and Electricity Markets Authority

1 August 2025

---

<sup>4</sup> This is a company incorporated under the laws of England and Wales with company registration number 11138769 whose registered address is C/O Fulcrum, 105 Piccadilly, London, United Kingdom, W1J 7NJ.



## **SCHEDULE**

### **PERIOD, CONDITIONS AND WITHDRAWAL OF CERTIFICATION**

#### **A. Interpretation and Definitions**

In this certification

'the Authority'	means the Gas and Electricity Markets Authority established by section 1(1) of the Utilities Act 2000, as amended from time to time
'the Act'	means the Electricity Act 1989, as amended from time to time
'the certified person'	NeuConnect Britain Limited in its capacity as a person certified as independent under section 10D of the Act
'control'	has the same meaning as in section 10O of the Act
'person from a country outside the United Kingdom'	has the same meaning as in section 10O of the Act
'the relevant date'	has the same meaning as in section 10M of the Act
'shareholder right'	has the same meaning as in section 10O of the Act

#### **B. Period**

Subject to section D below, and pursuant to section 10D of the Act, this certification shall come into effect on the date that it is issued and will continue until it is withdrawn in accordance with section D.

#### **C. Conditions**

This certification is made subject to the following conditions:

1. The material provided by the certified person to the Authority in respect of its application for certification is true and complete.
2. If at any time the certified person knows or reasonably should know of any event or circumstance that has occurred or is likely to occur that may affect its eligibility for certification, the certified person shall as soon as reasonably practicable notify the Authority in writing of the event or circumstance and the reasons it considers that the event or circumstance may affect its eligibility for certification.

3. If at any time the certified person knows or reasonably should know that any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the certified person is or may become a person from a country outside of the United Kingdom, or that a person from a country outside the United Kingdom has or may take control of the certified person, the certified person shall as soon as reasonably practicable notify the Authority in writing.
4. If at any time from the relevant date the certified person exercises or is likely to exercise any shareholder right or right of appointment in the circumstances described in section 10M of the Act, the certified person shall as soon as is reasonably practicable notify the Authority in writing of the right that has been or is likely to be exercised and the effect of exercising that right.
5. By 31 July of each year, the certified person shall provide the Authority with a written declaration, approved by a resolution of the board of directors of the certified person and signed by a director of the certified person pursuant to that resolution, setting out:
  - a) Whether any event or circumstance has occurred in the previous 12-month period, or such part of that 12-month period since the certified person was certified, that may affect the certified person's eligibility for certification, and if so, the reasons it considers that the event or circumstance may affect its eligibility for certification;
  - b) Whether any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the certified person has become a person from a country outside the United Kingdom, or that a person from a country outside the United Kingdom has taken control of the certified person, in the previous 12-month period or such part of that 12-month period since the certified person was certified; and
  - c) Whether the certified person has exercised any shareholder right or right of appointment in the circumstances described in section 10M of the Act in the previous 12-month period or such part of that 12-month period since the certified person was certified and, if so, the effect of exercising that right, provided that the certified person is only required to provide a written declaration under this paragraph (c) where it has been certified on the certification ground in section 10E(3) of the Act and in relation to a period that occurs after the relevant date.

6. The certified person furnishes the Authority in such manner and at such times as the Authority may reasonably require, with such information as the Authority may reasonably require, or as may be necessary, for the purpose of:
  - a) performing the functions assigned to it by or under the Act, the Gas Act 1986, the Utilities Act 2000, the Energy Act 2004, the Energy Act 2008, the Energy Act 2011 or the Energy Act 2023, each as may be amended from time to time; or
  - b) monitoring and reviewing of the certification under section 10I of the Act; or
  - c) reporting by the Authority as to any connection of the licensee with a country outside the United Kingdom under section 10K of the Act.
7. Should any of the grounds for withdrawal arise under section D of this certification, the Authority may amend rather than withdraw this certification.

#### **D. Withdrawal**

Pursuant to section 10L of the Act, this certification may be withdrawn in the following circumstances:

1. This certification may be withdrawn by the Authority by giving a notice of withdrawal to the certified person not less than four months before the coming into force of the withdrawal in any of the following circumstances where:
  - a) the Authority considers that condition contained in paragraph C1 above is not met;
  - b) the Authority considers that the basis on which the Authority decided to certify the certified person does not continue to apply and has made a final decision that the certification should be withdrawn;
  - c) the certified person has a receiver (which expression shall include an administrative receiver within the meaning of section 251 of the Insolvency Act 1986, as amended from time to time) of the whole or any material part of its assets or undertaking appointed;
  - d) the certified person has entered into administration under section 8 of Schedule B1 to the Insolvency Act 1986;

- e) the certified person is found to be in breach of any national competition laws, such breach relating to the licensed activity of the certified person;
  - f) the certified person has failed to provide a declaration to the Authority pursuant to paragraph C5 above and the Authority has written to the certified person stating that the declaration has not been provided and giving the certified person notice that if the declaration remains outstanding past the period specified in the notice the certification may be withdrawn;
  - g) the certified person has failed to comply with a request for information issued by the Authority under paragraph C6 above and the Authority has written to the certified person stating that the request has not been complied with and giving the certified person notice that if the request for information remains outstanding past the period specified in the notice the certification may be withdrawn.
2. This certification may be withdrawn if the certified person notifies the Authority that it does not require to be certified and the Authority considers that the certified person is not a person who is required to be certified.