

To:

Ofgem

via email: LDES@ofgem.gov.uk

25th June 2025

Project Assessment Consultation Response from Frontier Power

Dear Sir or Madam,

Frontier Power welcomes the opportunity to respond to the Consultation on Long Duration Electricity Storage Project Assessment, published on 28 May 2025.

Frontier Power – an LDES developer with ambition for GB

Frontier Power is a leading developer and operator of energy infrastructure. We have a strong track record across offshore transmission, interconnectors and renewable energy. Founded by former National Grid executives, Frontier brings deep sector expertise and global experience.

The company has successfully managed approximately £1 billion of offshore transmission assets and has recently developed a landmark interconnector project, NeuConnect, a 1.4GW undersea HVDC link between the UK and Germany. In the renewable energy and energy grid sectors, Frontier Power is developing over £10bn of assets.

As part of the first application window for LDES projects under the cap and floor regime, announced on 8 April 2025, we have put forward a portfolio of projects surmounting over 20GWh across 16 locations. We, and our investors, are committed to becoming the largest LDES developer in GB, ensuring that GB consumers today and in the future can benefit from an ever-increasing share of renewable power generated to fuel Clean Power 2030 and GB's 2050 targets.

Our headline messages

It is important that Ofgem's approach for the cap and floor regime is pragmatic and sufficiently flexible so that GB consumers can access direct and indirect benefits arising from the LDES support mechanism.

We are concerned that Ofgem's proposed methodology will not attach appropriate weight to non-financial considerations. A broad mix of technologies is highly desirable, as it provides an effective insurance policy against technology risk and development challenges associated with pumped hydro.

Given Ofgem's duty to consider the implications of its decisions on growth, it is important that the LDES cap and floor regime provides an opportunity for Great Britain to develop world-leading BESS capabilities. One of the technology suppliers we have partnered with in this round (Invinity) are already backed by UK Government funding, offering realistic potential for growth across domestic and international markets. The other supplier we have partnered with is considering

establishing manufacturing capacity in the UK if it is successful in the LDES cap and floor regime. These suppliers and their products will have a material impact on growth and employment.

We are concerned that Ofgem “do not propose to calculate impacts on economic growth separately from that which will be captured by the other metrics” (para 3.54 and 3.55). This position creates a significant risk of undervaluing these benefits, meaning GB consumers could lose out twice – initially by risking domestic growth-supporting technologies (such as those deployed by Frontier Power) are not supported, and by foreclosing access to benefits from direct UK Government investment in such technologies, and the long-term cost reductions this will bring to BESS technologies and consumer energy prices.

Finally, it is critical that the unique characteristics of projects are recognised in Ofgem's assessment and given appropriate weight to ensure consumer benefit and wider benefit to GB can be materialised.

We recognise the necessity to make an ‘in-the-round assessment’ given that there will be elements that are not quantifiable, however we would underline that some of the potential non-monetary impacts need to be quantified more transparently and given relevant weighting. This is to ensure the project assessment process can appropriately reflect the benefits for GB consumers arising from the LDES technologies that Frontier Power is looking to deploy - Invinity’s Endurium Vanadium Flow battery and EOS’s Z3 zinc-based battery:

Battery characteristics (applicable to both)

- Non-flammable
- Minimal degradation over cycles and long asset life (min 25 years with option for lifetime extension with minimal refurbishment)
- Use of sustainable and abundant materials and high degree of recyclability
- 100% depth of discharge
- Co-location with data centres and solar projects

Wider macro and consumer benefits

- Expansion of UK manufacturing, offering opportunity for cost reductions in future GB-based LDES deployments, while creating high skilled jobs and building foundation for global exports of LDES technology and know-how
- Renewed positioning of UK as an energy innovation hub
- Using the cap and floor scheme to promote UK industry and capability building while not being used as a direct subsidy
- Improved grid stability (and reduced cost for ancillary grid services) where LDES projects are co-located with demand centres and in areas of grid constraints

Your sincerely,



Co-Founder and CEO of Frontier Power