

FAO: Major Projects Team

By email: RIIOElectricitytransmission@ofgem.gov.uk

8 May 2025

Dear Harry Cain,

Consultation on the ASTI ODI Penalty Exemption Period request for Eastern Green-link 1

Transmission Investment (TI) is a leading independent electricity transmission business in the UK, with over ten years of experience developing, acquiring and managing large complex infrastructure projects. TI manages one of the largest offshore electricity transmission portfolios in Great Britain (GB), in total we currently manage a portfolio of approximately 4GW and £3billion in capital employed. TI is also leading the development of two electricity interconnector projects in support of the UK's Net Zero ambition. This includes a proposed 700MW link between Northern Ireland and Scotland known as "LirIC", as well as the FAB interconnector between GB and France. We have successfully participated in the NESO Pathfinder programme and are a strong advocate of introducing competition to deliver electricity transmission faster and cheaper.

The UK Government recognises that *"speeding up the rollout of new transmission network infrastructure is key to integrating low-carbon generation into the grid, advancing our net-zero goals, and avoiding jeopardizing our energy security, economic growth, and other critical infrastructure due to delays."*¹ This consultation, on the Accelerated Strategic Transmission Investment (ASTI) ODI penalty exemption request for Eastern Green-link 1, challenges the current narrative that incumbent delivery, whilst more expensive, increases certainty of timely delivery. The request and rejection of penalty relief, coupled with the total project delay of 16 months, shows that despite ASTI being designed and implemented as a framework to expedite transmission delivery, actions have not been taken in consumers best interests to avoid major delays.

Competition encourages innovation and the delivery of benefits to consumers more quickly and cheaply, with very strong financial and reputation incentives to deliver on time and on budget and avoid such delays. This has been evidenced in the US where there are several examples of competitively procured projects being delivered ahead of schedule, or below budget².

The rejection of the penalty relief suggests Ofgem has concluded that different actions could have been taken to avoid or mitigate delays, something the stronger incentives on CATOs would be expected to deliver. It also sends a strong signal to industry of Ofgem's expectations of the balance of risk and reward under ASTI. The implications of this decision may have a ripple effect throughout the programme and may cause other ASTI projects to review their approach, which may further distract from delivering.

This consultation provides clear evidence that incumbent TO delivery is not without risks, and as such does not provide greater certainty. It demonstrates that ASTI, albeit designed to expedite transmission build, may not yet be driving the expected delivery focus, which is a natural part of competitive transmission delivery. As such, we welcome that Ofgem's rejection of penalty relief in this case outlines a clear expectation of the balance of risk and reward under the ASTI framework.

We hope the contents of the letter are helpful and we would be pleased to discuss any points raised.

Yours faithfully,

**Mark Fitch**

Corporate Development Director

¹ [Factsheet: Bill discounts for transmission network infrastructure - GOV.UK](#)

² CEPA report (previously shared with Ofgem), page 31