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Aquind Interconnector project: CRE and Ofgem discontinue public consultation on Aquind's exemption request

On 2nd June 2020, Aquind submitted to Ofgem and CRE (together, the “NRAs”) a request for partial exemption from Articles 19(2) and 19(3) of Regulation (EU) 2019/943 (the “Regulation”), concerning Use of Revenues obligations, for a period of 25 years from the start of commercial operations (the “Exemption Request”).

On 18th December 2020, the NRAs published a joint consultation document outlining the scope and rationale of the Exemption Request, as well as the supporting evidence provided by Aquind. The consultation was originally planned to close on 29th January 2021.¹ The NRAs issued this consultation in line with our obligations under the applicable legal framework at the time, and with uncertainty as to the future trade and cooperation arrangements between the UK and the EU beyond the end of the transition period.

In light of the new Trade and Cooperation Agreement (the “TCA”) agreed between the UK and the EU on 24th December 2020, following the UK’s departure from the EU, the NRAs consider that the exemption request process defined under the Regulation is only available to interconnector projects developed between EU Member States. As the UK is no longer a Member State and the transition period has ended, Aquind can no longer access that process and the NRAs no longer have the necessary legal powers to assess, and decide upon, the Exemption Request.

Consequently, the NRAs have decided to discontinue the ongoing consultation and assessment process.

Ofgem and CRE will continue to cooperate closely in regards to the functioning and the development of interconnections between the UK and France and the implementation of the arrangements envisaged in the TCA.

¹ The consultation document can be found at: <https://www.cre.fr/en/Documents/Public-consultations/a-joint-consultation-on-aquind-s-exemption-request> and <https://www.ofgem.gov.uk/publications-and-updates/joint-consultation-aquind-s-exemption-request>