

23 January 2026

Rt Hon Liam Byrne MP,
Chair of the Business and Trade Select Committee,
House of Commons,
London,
SW1A 0AA

Dear Mr Byrne,

Thank you once again for inviting me to give evidence before the Business and Trade Select Committee last week. I appreciated the opportunity to discuss the role that National Grid Ventures' interconnector fleet plays in the UK's energy system and to offer insight into the benefits that a closer working relationship with Europe could bring to the sector more broadly.

During the session I was asked about National Grid's role in delivering the Government's AI Opportunities Plan, the challenges to moving this forward and whether there was scope within the conversations surrounding the UK-EU reset to impact this positively. In my response, I committed to following up in writing.

As you will know, electricity networks play a critical economic function: not only do we provide Britain's homes and businesses with the power that they use every day, we also connect major demand projects, including AI data centres, which unlock a huge amount of inward investment. This is why we have been gearing up to deliver, committing to invest £35 billion in England and Wales out to 2031 through our RIIO-T3 business plan, which outlines our planned transmission network spending over the course of the next 5-year price control period. This investment will nearly double the amount of power that can flow through our network, facilitating the connection of 19GVA of demand – equivalent to connecting another London.

We have also been collaborating closely with Government, working with them to accelerate a number of designated strategic projects, including data centre connections in Northumberland, North Wales and South Wales, each of which have been designated as AI Growth Zones. Moreover, in a regulatory sense, we have also been instrumental in the development of the Connections Accelerator Service (CAS), announced in last year's Industrial Strategy.¹

While there has been a lot of positive development in this space, we believe that more can be done to maximise electricity networks' growth enabling potential. I would like to call out three specific actions:

1. Learning the lessons of Connections Reform, we must implement more onerous criteria for demand projects seeking a connections agreement. Increasing the barriers to pipeline entry will **prevent a speculative 'zombie' style queue**, as we saw with generation projects, allowing us to focus our resources on connecting viable, strategically important projects.
2. Simply put, it is far quicker to build a data centre than it is to build energy infrastructure. As such, it is critical that we take a strategic approach, coupling a coherent vision of future demand with a regulatory framework that allows us to **invest ahead of need**. This will allow us to make sure that there is readily available capacity in the right places, at the right time for growth critical customers.
3. Having worked closely with the Government on the development of the CAS, it is critical that it is underpinned by a streamlined regulatory environment that recognises the critical nature of the projects in question and, as a result, **facilitates efficient decision** making to eliminate delays for strategic demand projects.

¹ UK Government (2025): [The UK's Modern Industrial Strategy](#)

To respond directly to the final strand of the committee's initial question, to our mind, there is no overt link between our efforts to deliver demand connections and the UK-EU reset, though of course the EU is also considering the impact and opportunities of increased data centre presence in the EU market, and this may be an issue for future co-operation.

Finally, alongside our role in enabling AI through the connection of data centres, we also understand that our ability to innovate and make use of it on our own networks underpins our efforts to build the grid of tomorrow. This is why National Grid Partners (NGP), our investment and innovation arm, has invested nearly \$550 million since 2018 in emerging technologies that are helping us to operate in a safer, smarter and more efficient manner. For instance, in September 2025, we announced a strategic partnership with Emerald AI, which is a technology that increases data centre flexibility in real time to unlock grid capacity.

I hope that the information provided above has offered a helpful insight into the work that National Grid is doing, on its transmission network specifically, to provide prompt connections for a key growth industry. However, if you have any further questions, please do not hesitate to contact me.

Yours sincerely,

Matthew Hinde,
Head of International Policy and Engagement,
National Grid