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**LET'S STOP AQUIND DEMANDS JUSTICE FOR PORTSMOUTH
AQUIND MUST BE STOPPED – THERE IS TOO MUCH AT STAKE**

Portsmouth, Hampshire
Tuesday 22 November 2022

On 20 January 2022, the then Secretary of State for the Department for Business, Energy & Industrial Strategy (BEIS), Kwasi Kwarteng, refused to grant Aquind Limited the Development Consent Order (DCO) it sought for the Aquind Interconnector – a decision that was widely celebrated in Portsmouth.

The residents of the city felt that this represented a successful conclusion to the grassroots campaign against Aquind, which was supported by both Portsmouth MP's, the leader of the city council and unanimously by city councillors of every political stripe.

However, Aquind Limited was granted permission to apply for judicial review of the decision. The judicial review will be heard at the High Court on 22 & 23 November and consequently the issue has once again become a hot topic in the city.

The community campaign against the proposal, Let's Stop Aquind, examines here what has, and has not, changed since the project was originally proposed in 2016.

What has changed

The economic case

The Aquind Interconnector was initially planned to take advantage of the difference in price of relatively cheap nuclear power generated in Northern France and the prevailing electricity price in the UK. A 242 kilometre High Voltage electric cable would be laid from Normandy to the South Downs, where it would join the national grid at Lovedean, North of Portsmouth, adjacent to the South Downs National Park. The plans also allowed for a high-capacity fibre-optic communications network to be installed alongside the cable, an aspect of the project that came under increasing scrutiny as it appeared to be a separate commercial enterprise.¹

Since then, the economic case for the Aquind Interconnector has collapsed. Even before the pan-European energy crisis caused by the Russian invasion of Ukraine, the nuclear power on which France relies for 70% of its total needs had become significantly scarcer as a result of a costly and time-consuming maintenance of the aging EDF nuclear estate.²

¹ "Local authority accuses secretive Russian Tory donor's firm of 'abusing planning laws'" Open Democracy 18/12/2020 <https://www.opendemocracy.net/en/dark-money-investigations/local-authority-accuses-secretive-russian-tory-donors-firm-of-abusing-planning-laws/>

² "Power plant shutdowns hinder France's 'nuclear adventure'" FT 30/5/22 <https://www.ft.com/content/0df04c06-83c0-4080-a68b-c00fd4bc4a11>

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Many reactors have been taken offline, with availability currently standing at only 51% of total capacity³. In its own words, "Aquind is projected to flow predominantly from the lower priced French market to GB"⁴ so it relies on an abundance of cheap French nuclear electricity. While the interconnector was planned to be bi-directional, carrying UK power to France when there is a surplus, the balance between importing and exporting power through interconnectors stands at 90% to 10%. In fact, despite the huge growth in interconnector capacity between the UK and Europe, the amount of power exported has stayed static over the last 10 years⁵.

We believe that, given the energy security issues caused by war in Ukraine and the political effects of Brexit, selling its valuable domestic power to the UK for the private profit of the owners of Aquind is simply not a priority for France.

UK energy policy

Likewise, UK domestic energy policy has changed since 2016. There is now a focus on energy security and low-cost renewable sources such as offshore wind produced and consumed locally. The government is now committed to a "major acceleration of homegrown power in Britain's plan for greater energy independence"⁶. The Truss administration even introduced planning reforms to remove the long-term block on onshore wind projects, although this was reversed by Prime Minister Sunak⁷, despite widespread public support, even amongst Tory voters⁸.

Post Brexit, relying on energy imported from a foreign power through strategic infrastructure owned by an obscure Luxembourg holding company on behalf of foreign (born) investors who may not have the UK's best interests at heart, meets none of the government's objectives. Nor will it offer UK consumers cheaper energy, as the imported electricity, for which Aquind has negotiated an exemption from the existing pricing regime, will be competing with cheap homegrown renewables.

The political climate

The political climate has also changed dramatically in recent times. Aquind Limited has the benefit of the political connections of co-owner Alexander Temerko. Mr Temerko is the former head of Russkoe Oruzhie (Russian Weapons), a "corporation that produced armaments for Russian military

³ "Maintenance on eight French nuclear reactors delayed by strike" Reuters 12/10/22

<https://www.reuters.com/markets/europe/maintenance-five-french-nuclear-reactors-delayed-over-strike-2022-10-12/>

⁴ Request for Exemption: AQUIND Interconnector" Aquind Limited as submitted to OFGEM

https://www.ofgem.gov.uk/sites/default/files/docs/2020/12/request_for_exemption_executive_summary_and_document_summary.pdf

⁵ "Imports, exports and transfers of electricity" GOV.UK 29/9/22

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1107468/ET_5.6_SEP_22.xlsx

⁶ "Major acceleration of homegrown power in Britain's plan for greater energy independence" GOV.UK 6/4/22

<https://www.gov.uk/government/news/major-acceleration-of-homegrown-power-in-britains-plan-for-greater-energy-independence>

⁷ "Rishi Sunak U-turns on Truss's onshore wind planning reforms" Independent 26/10/22

<https://www.independent.co.uk/climate-change/news/rishi-sunak-u-turn-energy-wind-b2211054.html>

⁸ "Industry pressures Government to back onshore wind planning reforms" City A.M. 1/11/22

<https://www.cityam.com/industry-presses-government-to-back-onshore-wind-planning-reforms/>

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forces⁹ a significant role in the Russian state arms industry, but he had been welcomed with open arms by the Conservative Party, in which he is a rising star and member of the Leader's Group of donors.¹⁰ He was also known to be on first name terms with former prime minister Boris Johnson¹¹ and ex-chancellor Kwasi Kwarteng, but neither retain cabinet positions.

The government recognised the strategic importance of the ownership of energy assets¹² in the National Security and Investment Act 2021, which protected against businesses perceived to be potential threats to the national interest¹³

As a result of the threat posed by Russian oligarchs assumed to be controlled by, or working for the interests of, a foreign power¹⁴, the UK government has enforced substantial sanctions and passed the Economic Crime (Transparency and Enforcement) 2022 Act to give greater transparency to the beneficial ownership of UK properties by foreign entities.¹⁵

What has not changed

The environmental case

The environmental case against the Aquind Interconnector remains overwhelming. The damage to onshore and shoreline wildlife, loss of bird and insect habitats, **threat to protected species** and loss of public sports and leisure amenities are simply unacceptable to the residents of Portsmouth. Campaigners have scorned the plan to run the cable through the precious green spaces of the UK's most densely populated city outside of London, and demanded alternative routes be examined in sufficient detail.

Likewise, the leader of East Hampshire District Council Cllr Richard Millard, spoke out on the environmental damage threatened by the project: "I stand by our opposition to the project. We deem the impact on our environment – from our coastline up to our national park – as unacceptable."¹⁶

⁹ "About Alexander Temerko" <https://www.alexandertemerko.co.uk/en/about/>

¹⁰ About Alexander Temerko" <https://www.alexandertemerko.co.uk/en/about/>

¹¹ "Exclusive: Ex-Russian arms tycoon quietly wields influence in British PM race" Reuters 19/7/2019 <https://www.reuters.com/article/uk-britain-eu-johnson-russian-exclusive-idUSKCN1UE1WO>

¹² "Energy sector investors beware - the new UK national security merger control regime" Burges Salmon 6/5/22 <https://www.burges-salmon.com/news-and-insight/legal-updates/corporate/energy-sector-investors-beware-the-new-uk-national-security-merger-control-regime>

¹³ New and improved National Security and Investment Act set to be up and running Gov.uk 20/7/2021 <https://www.gov.uk/government/news/new-and-improved-national-security-and-investment-act-set-to-be-up-and-running>

¹⁴ "Government takes landmark steps to further clamp down on dirty money" Gov.uk 28/2/2022 <https://www.gov.uk/government/news/government-takes-landmark-steps-to-further-clamp-down-on-dirty-money>

¹⁵ "Economic Crime Act: what does it mean for law firms?" The Law Society 5/8/2022 <https://www.lawsociety.org.uk/topics/anti-money-laundering/economic-crime-act>

¹⁶ "Aquind interconnector examination closes" Portsmouth City Council microsite 12/3/2021 <https://interconnectorportsmouth.co.uk/latest-news/>



The failure to scrutinise alternatives adequately and the pollution resulting from the construction traffic and the gridlock caused by the proposed works have also been highlighted by Portsmouth City Council, with Council Leader Gerald Vernon-Jackson saying of the plan: "If approved, the construction will see significant and unacceptable disruption to residents and businesses in the city, and we believe that alternative options have not been explored."

Nothing has come to light to contradict the judgement made by then BEIS Secretary of State Kwasi Kwarteng, who said in his adjudication letter: "Given the adverse effects arising from the project... in particular the combination of impacts that result from the proposed landfall in an urban location... it is not possible to conclude that the need for and benefits of the proposed Development would outweigh its impacts".¹⁷

Community resistance to the project

Community resistance to the project remains staunch, although many residents do not yet realise that Aquind Limited is challenging the SofS decision not to approve the DCO. The project has united the disparate political factions within Portsmouth, as well as animating many non-political citizens outraged at the potential environmental damage, loss of amenities and disruption along the planned route, with no apparent benefits to the city or surrounding areas.

The political donations and lobbying campaign

The Aquind Interconnector proposal was the first interconnector to be treated as a Nationally Significant Infrastructure Project (NSIP) allowing the project to bypass local planning oversight. Temerko and Aquind lobbied a wide range of BEIS ministers before and after the granting of NSIP status, including as Kwasi Kwarteng¹⁸, Alok Sharma¹⁹, David (now Lord) Frost²⁰, Anne-Marie Trevelyan²¹, Andrea Leadsom²² and Claire Perry O'Neill²³.

¹⁷ Secretary of State's Decision Letter p6 National Infrastructure Planning 20/1/2022
<https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/EN020022/EN020022-004431-EN020022%20-%20Secretary%20of%20State%20Decision%20Letter.pdf>

¹⁸ "Kwasi Kwarteng accused of misleading claims over power cable project" The Guardian 10/10/2021
<https://www.theguardian.com/politics/2021/oct/10/kwasi-kwarteng-accused-of-misleading-claims-over-power-cable-project>

¹⁹ "Tory Energy Secretary dined with donors behind £1.2bn pipeline at fundraiser" Daily Mirror 14/7/2020
<https://www.mirror.co.uk/news/politics/tory-energy-secretary-dined-donors-22349093>

²⁰ "Cable tycoon lobbied Brexit negotiator Lord Frost over energy deal" The Times 8/7/2021
<https://www.thetimes.co.uk/article/tycoon-lobbied-brexite-negotiator-energy-deal-brdhvp6nm>

²¹ "Anne-Marie Trevelyan 'risked misleading parliament by omission' over energy project lobbying The Times" 25/11/2021 <https://www.thetimes.co.uk/article/anne-marie-trevelyan-failed-to-disclose-lobbying-by-tory-donor-energy-firm-aquind-6xkr8ntk9>

²² "UK ditches Aquind's Channel energy cable amid Russian donor row" The Times 4/1/2022
<https://www.thetimes.co.uk/article/kwarteng-turns-down-aquind-channel-energy-cable-at-centre-of-donor-row-bz28gb8zg>

²³ "Energy minister met Russia-linked donor Alexander Temerko despite warnings of 'trap'" The Times 6/8/2020 <https://www.thetimes.co.uk/article/energy-minister-met-russian-donor-alexander-temerko-despite-warnings-of-trap-jwstl9b>

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A former director of Aquind Limited, Martin (now Lord) Callanan, became Minister for Business, Energy and Corporate Responsibility in the BEIS, the very department that would be adjudicating on the decision to approve the interconnector project, creating an extraordinary conflict of interest.

Many of these ministers had also been financially supported by Aquind Limited and/or Mr Temerko as part of a wide-ranging campaign of donations to the constituency offices of 38 past and former Conservative MP's²⁴ and the Conservative Party nationally. Chancellor Jeremy Hunt, arguably the second most powerful man in UK politics, has received the highest amount of any MP, benefitting from £72,500²⁵ out of a total of more than £1.6million in donations made by Aquind Ltd or its current and former directors in the last 10 years.²⁶

Aquind's funding of, and links to, the Conservative Party are ongoing – donations of £95,000 are disclosed in its latest accounts²⁷ - and Alexander Temerko maintains lofty ambitions within the party, for example as a candidate for Mayor of London²⁸.

So the donations and political patronage continue, as does the shocking conflict of interest faced by MP's and numerous ministers at the BEIS when considering the fate of the DCO in the event of the judicial review being successful for Aquind. Equally, Let's Stop Aquind's call for a full and transparent enquiry into the relationship between Aquind Limited, its owners, directors and the Conservative Party has not changed.

The Pandora Papers and the foreign funding loophole

Aquind Limited is registered in England and as such, none of the political donations it makes is illegal, given the approval of its shareholders. The company is controlled by Ukrainian-born Alexander Temerko and Russian-born Viktor Fedotov. Again, none of the personal donations made by Mr Temerko is illegal as he was granted British citizenship under the Tier 1 Investor Visa scheme, as was Mr Fedotov²⁹.

The scheme was scrapped by then Home Secretary Priti Patel in February 2022³⁰, as the government admitted it "had given rise to security concerns, including people acquiring their wealth illegitimately

²⁴ "Labour writes to Tory chair over donations to 34 MPs by firms named in Pandora papers" The Guardian 5/10/2021 <https://www.theguardian.com/news/2021/oct/05/labour-writes-to-tory-chair-over-donations-to-34-mps-by-firms-named-in-pandora-papers>

²⁵ "These are the 38 MPs who have received donations from Aquind & co" HyperFocus 9/10/2021 <https://investigations.substack.com/p/tory-mp-aquind-donations>

²⁶ "Tories have taken £62,000 from Russia-linked donors since war began" OpenDemocracy 6/6/2022 <https://www.opendemocracy.net/en/dark-money-investigations/conservative-party-russia-donors-ukraine-invasion/>

²⁷ Aquind Limited Financial Statements For the year ended 30 June 2021 Companies House

²⁸ "The energy tycoon eyeing a run for the role of London Mayor" Daily Telegraph 3/1/2021 <https://www.telegraph.co.uk/business/2021/01/03/energy-tycoon-eyeing-run-role-london-mayor/>

²⁹ "Revealed: Viktor Fedotov is tycoon behind Aquind energy project" The Times 5/8/2020 <https://www.thetimes.co.uk/article/revealed-viktor-fedotov-is-tycoon-behind-aquind-energy-project-pq0868vmj>

³⁰ "UK scraps golden visas for foreign investors amid Russian money crackdown" Politico 17/2/2022 <https://www.politico.eu/article/uk-scraps-golden-visas-for-foreign-investors-amid-dirty-money-crackdown/>

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and being associated with wider corruption.”³¹. Since the release of the Pandora Papers, the same concerns have been raised with regards to Mr Fedotov’s investment into Aquind.³² Aquind accounts show that it has never had any trading income and is currently “fully reliant” on Project Finance Group S.A. for funding³³, a Luxembourg registered business owned by Mr Fedotov to which is it about £35million in debt³⁴. Previously, £25million in funding for Aquind Limited had been provided by an offshore vehicle, OGN Enterprises Limited, registered in the British Virgin Islands.³⁵

Although registered in the UK, Aquind Limited was (and still is) a regular donor to the Conservative Party³⁶, while having no trading income, paying no UK tax³⁷ and was funded by an offshore registered company whose beneficial owners and sources of income were both unknown and unknowable at the time. Under these circumstances, it is hard to have full confidence in ministerial claims that “The Conservative Party does not accept foreign donations” and that “All donations to the party are received ... after appropriate due diligence, from permissible sources.”³⁸

So despite the recent rash of UK corporate transparency legislation, questions remain over Aquind’s backers, and the loophole by which funds of unknown origin can legally be used to support UK political parties remains firmly open.

The threat to national security and the chilling effects on public debate

We feel that we need to be certain that key energy infrastructure is not controlled by a foreign power, and that it is built and managed by competent and professional engineers in the UK’s national interest and poses no threat to our marine or shoreline environment. Aquind Limited has no trading history of any kind, let alone any experience of managing billion-pound cross-channel cabling projects. Its lack of experience, debt-reliant business model, history of political patronage and opaque funding pose significant questions over its suitability to manage a project of this nature within 2 miles of the home of the British Navy.

The belief that the Aquind Interconnector poses a potential threat to national security remains

³¹ "Tier 1 Investor Visa route closes over security concerns" Gov.uk 17/2/2022

<https://www.gov.uk/government/news/tier-1-investor-visa-route-closes-over-security-concerns>

³² "Pandora Papers: Businessman linked to Tory donations made millions from alleged fraud" BBC 4/10/2021 <https://www.bbc.co.uk/news/world-58791274>

³³ Aquind Limited Financial Statements For the year ended 30 June 2021 Companies House

³⁴ "AQUIND ready to set sail (at last?)" HyperFocus 15/6/2021

<https://investigations.substack.com/p/aquind-funding-source-unknown>

³⁵ "Russians, Tories and the North East" NorthEastBylines 18/1/2021 <https://northeastbylines.co.uk/russians-the-tories-and-the-north-east/>

³⁶ Aquind Limited Financial Statements For the year ended 30 June 2019 Companies House

³⁷ "Economic Crime: Planned Government Bill - Commons Urgent Question" in the House of Lords 31/1/2022 <https://www.theyworkforyou.com/lords/?id=2022-01-31c.624.8#g627.0>

³⁸ "Parliamentary Debate on Countering Russian Aggression and Tackling Illicit Finance" Hansard 23/2/2022 <https://hansard.parliament.uk/commons/2022-02-23/debates/8073B01E-6C2E-4416-9CC0-A109AD8A8E58/CounteringRussianAggressionAndTacklingIllicitFinance>

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unchanged. This analysis is shared by Portsmouth South MP Stephen Morgan³⁹, Portsmouth North North MP Penny Mordaunt⁴⁰ and the leader of Portsmouth City Council Gerald Vernon-Jackson⁴¹.

Despite the significant public interest in the issues raised by the Aquind Interconnector, Aquind Limited and Mr Temerko have retained the international law firm Schillings, a move which threatens to shut down open debate and reporting. The Portsmouth local newspaper The News, a vocal supporter of the campaign against Aquind, has recently been awarded regional campaign of the year at the Society of Editors' Media Freedom Awards, for "the courage and determination of its journalists to report on matters of significant public interest when others may have walked away" and its "sustained commitment to reporting... despite an unprecedented legal challenge."⁴²

Many questions remain, such as how close did Mr Temerko get to the Kremlin during his career as arms dealer to the Russian state? Many will ask what Mr Temerko is trying to achieve with his deep interest in, and financial support for, the Conservative Party and how close did he get to Boris Johnson and other senior members of the party?

Given the strategic significance of the interconnector project and the energy security crisis, these questions are part of a legitimate public debate. However, outlets such as The Times⁴³ and Reuters⁴⁴ as well as MP Penny Mordaunt⁴⁵ have all come under legal challenge regarding commentary around Aquind, demonstrating the chilling effects of legal threats on free speech in our democracy⁴⁶.

Let's Stop Aquind demands justice for Portsmouth. Aquind must be stopped – there is too much at stake.

Let's Stop Aquind can be found on [Facebook](#), [Instagram](#), [Twitter](#) and at stopaquind.com. Contact co-founder Viola Langley by email to langleyviola1@hotmail.com

³⁹ "City MP responds to The Times report on Aquind and Russian interference" Stephen Morgan 24/7/2020 <https://www.stephenmorgan.org.uk/city-mp-responds-to-the-times-report-on-aquind-and-russian-interference/>

⁴⁰ "Connecting Britain and France's power grids a risk to energy security, Penny Mordaunt warns" The Times 18/1/2022 <https://www.thetimes.co.uk/article/connecting-britain-and-frances-power-grids-a-risk-to-energy-security-penny-mordaunt-warns-t8g7bznlj>

⁴¹ "Portsmouth's Council Leader writes to Business Secretary about Aquind national security concerns" Portsmouth Liberal Democrats 6/8/2021 https://www.portsmouthlibdems.org.uk/aquind_security

⁴² The News wins national award for Stop Aquind campaign in Portsmouth as judges praise 'courage and determination' The News 10/10/2022 <https://www.portsmouth.co.uk/news/environment/the-news-wins-national-award-for-stop-aquind-campaign-in-portsmouth-as-judges-praise-courage-and-determination-3914114>

⁴³ "Russian Tory donors named in secret report" The Times 10/11/2019 <https://www.thetimes.co.uk/article/russian-tory-donors-named-in-secret-report-z98nqpkx0>

⁴⁴ In British PM race, a former Russian tycoon quietly wields influence Reuters 19/7/2019 <https://www.reuters.com/investigates/special-report/britain-eu-johnson-russian/>

⁴⁵ "Tory donor threatens legal action against Government and Penny Mordaunt" Evening Standard 24/1/2022 <https://www.standard.co.uk/news/uk/penny-mordaunt-government-portsmouth-prime-minister-boris-johnson-b978462.html>

⁴⁶ "The worst law on earth': why the rich love London's reputation managers" The Guardian 8/7/2022 <https://www.theguardian.com/media/2022/jun/08/the-worst-law-on-earth-why-the-rich-love-london-reputation-managers>

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