

SSEN Transmission: Factsheet



Deal information

Deal announced	December 2025
Sector	Power Grid
Location	North of Scotland
Counterparty	SSEN Transmission (trading name for Scottish Hydro Electric Transmission plc)
NWF Guarantee	£800m ⁱ
Product	Financial Guarantee



Summary

The National Wealth Fund will provide an 80% financial guarantee in support of a £1bn debt issuance by SSEN Transmission to support the delivery of their network construction programme for its three LOTI (Large Onshore Transmission Investments) projects and the first of its ASTI (Accelerated Strategic Transmission Investment) projects, a subsea HVDC cable from Peterhead in Aberdeenshire to Drax in Yorkshire. The projects are:

- [Skye Reinforcement](#) (LOTI)
- [Argyll and Kintyre 275kV Strategy](#) (LOTI)
- [Orkney Connection](#) (LOTI)
- [Eastern Green Link 2](#) (a jointly developed venture) (ASTI)

Sector context

Investment in the UK's power grid is at the heart of the UK's drive to achieve a clean power future and energy security, protecting the country from dependency on imported gas sourced from volatile wholesale markets. Upgrading the transmission network is a driver of economic

growth, and it is fundamental to the UK's "net zero" economy, which grew by more than 10% in 2024.ⁱⁱ

There is now a step-change investment requirement to keep pace with the government's clean power by 2030 ambitions. Ofgem estimates that investment of up to £70bn in electricity grid expansion may be required across the RIIO-ET3 period (April 2026 to March 2031).ⁱⁱⁱ While upgrading the grid will lead to increased network charges, this is expected to be offset by reduced constraint costs and wholesale energy prices and builds the pathway to more affordable and stable energy bills for householders and businesses in the longer term. This is thanks to lower reliance on imported gas and ensuring power flows efficiently from where it is generated to where it is needed, even at peak demand.

Impact and additionality

The financial guarantee will support the delivery of four projects underway within SSEN Transmission's infrastructure programme, including upgrades and additions to substations, overhead lines and offshore cabling.

In terms of the LOTI projects, Orkney will be connected to the transmission grid for the first time, and the transmission infrastructure serving communities including Skye, Fort Augustus, Argyll and Kintyre will be significantly strengthened.

Eastern Green Link 2, a jointly developed venture, is the largest ever single investment in the GB transmission system and will play a critical role in delivering the UK and Scottish governments' clean power and energy security targets, supporting thousands of jobs across the country and boosting local and national economies.

The NWF's involvement is additional, due to appetite to provide long-dated, flexible financing in the sector being limited. The NWF's guarantee allows SSEN Transmission to access longer-dated bank loans that better align the debt profile with the life of the assets being financed.

ESRG considerations

SSEN Transmission has been assessed against the NWF's ESRG Framework. SSEN Transmission state that their mission is to deliver a network for net zero and to do so in a just and sustainable way. They aim to deliver a positive, transformative legacy for local communities across the north of Scotland, for the economy, and for the natural world. SSEN Transmission's Sustainability Strategy sets out how the business will deliver on this mission in a way that is fair and sustainable. It includes commitments to cut greenhouse gas emissions in line with pioneering science-based target to limit warming to 1.5°C in support of the Paris Climate Agreement.

Impact metrics^{iv}

Impact	Metric
~3,400	Direct Jobs Created and Supported ^v
7.0MtCO₂e	Estimated net emissions avoided ^{vi}
2 GW	Additional Network Capacity (EGL2)
2.6GW	Additional Generation Facilitated (Orkney, Argyll, Skye) ^{vii}
£1,000m	Private Finance Mobilised ^{viii}

ⁱ This is a guarantee transaction, whereby NWF will cover 80% of a £1bn senior debt issuance up to a maximum of £800m.

ⁱⁱ [Growth and innovation in the UK's net zero economy | CBI](#)

ⁱⁱⁱ [RIIO-3 Final Determinations Overview Document](#)

^{iv} These metrics are based on four projects that have been earmarked for funding. These are Skye Reinforcement, Argyll and Kintyre 275kV Strategy, Orkney Connection, and Eastern Green Link 2. Jobs and emissions figures are quoted on a 100% basis for the full EGL2 jointly developed HVDC subsea project with National Grid.

^v Scaled from [SSEN Transmission's RIIO-T3 business plan](#). This figure is indicative and based on a proportional adjustment. SSEN Transmission's total RIIO-T3 investment programme is estimated to support a total of 8,400 jobs in the North of Scotland and 37,000 in the UK. The four projects are estimated to create and support ~3,400 direct jobs, of which ~400 jobs are attributed to the NWF's 80% guarantee.

^{vi} The four projects are estimated to deliver 7.0MtCO₂e of net emissions avoided, made up of 7.9MtCO₂e of emissions avoided and 0.8MtCO₂e of emissions created from activities such as construction, operation, and decommissioning. 0.8MtCO₂e of net emissions avoided are attributed to the NWF's 80% guarantee. Estimated emissions avoided were modelled by the NWF and reflect the benefits of renewable energy enabled by transmission infrastructure and are based on anticipated connected generation capacity and the resulting displacement of higher carbon electricity sources. Whole Life Carbon Emissions for each project were modelled by SSEN Transmission and calculated using realistic assumptions and available carbon factors. Calculations draw on the best available data at the time of writing. Actual emissions may vary.

^{vii} Subject to technology type and location.

^{viii} As per NWF's approach to calculating Private Finance Mobilised for guarantees, this reflects the overall size of the portfolio of loans being guaranteed.