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Sila Atlantik – haven't we met somewhere before?

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When you're neck deep in an energy crisis – who you gonna call? Well, if you're interest is piqued by a magnificently ambitious transmission project and a 23-hour daily flow of 3.6GW of green energy… you might wanna pick up the phone to the folk behind Xlinks.

The UK had been on a call to the Xlinks team from 2019 until this summer, but the line went dead when Westminster reneged on its commitment to the £24 billion ($32.9bn) Morocco to UK power project.

Scrapping the CfD that was to underpin the financing for Xlinks that had previously been awarded "nationally significant project" status came as a blow to the SPV – Xlinks First.

Having suffered that kick in the teeth, IJGlobal reported later in the summer that the Xlinks team may pivot towards mainland Europe, hitting pause on the debt raise being run by JP Morgan and Societe Generale for the UK-bound project.

IJ reported a source saying: "Without a CfD or equivalent revenue floor, no lender will underwrite 15- to 25-year debt for a £20 billion-plus project."

Meanwhile, the German press has been doing what the UK did when news first broke on the project to build solar PV and wind farms in Morocco (alongside BESS), and transmit that power (equivalent to 8% of GB supply) through 4,000km of HVDC cables from Tan-Tan province to plug into the UK system in North Devon.

The new incarnation – Sila Atlantik – is 800km longer, weighing in at 4,800km, and will track the Atlantic coastline through Portuguese, Spanish, French, Belgian and Dutch territorial waters to connect to the German grid… and it's being run by Xlinks Ltd… not Xlinks First.

Sources close to the German project say it's "a completely separate project" for which the UK deal serves as a blueprint. The Morocco-Germany feasibility study has been completed and it awaits German government approval. It will also need Moroccan approval, but that's likely a rubber stamp as it was happy with the UK option.

It would cater for 5% of Germany's current power consumption and the project parameters are much the same: 2 parallel submarine cables with a combined capacity of 3.6GW, and suggestions it could scale up to 15GW.

On the ground itself, they're talking about 11.5GW of renewable generation in the Sahara – some 7.5GW of solar and 4GW of wind. And the beauty of it is that once the sun goes down, the wind picks up (it's basic physics) and that's your 23-hour a day supply.

Meanwhile, sources say that "the German market was always being explored in parallel" adding that "the regulatory regime could make it easier to get revenue streamlined up".

For the record, IJ was long been a fan of the UK-bound project. Xlinks featured in 2 Infra Dig podcasts: one with Simon Morrish in June 2022 and the other with James Humfrey earlier this year.

Now that it's heading to Germany, we remain a fan… and can confirm a slightly different line-up of equity investors. German utilities E.ON and Uniper are at the table alongside Conenergy.

Given that the UK investors included TAQA from Abu Dhabi, Octopus, TotalEnergies, GE Vernova and Africa Finance Corporation… it would be reasonable to assume that TAQA, GE Vernova and the AFC will join the German option.

Xlinks sources confirm that – should German approval be achieved – the first bi-pole delivering 1.8GW would go live mid-2030.

View from the shore…

As always, you reach out to the infrastructure community and you get a mixed bag of results. Broadly speaking, the majority agree that the project is entirely feasible.

As one says of the process of laying the transmission line: "It comes off a big roll on the back of ship."

While that underplays the process a tad, it's fair comment. This ain't nuclear fusion… which Germany wouldn't touch with a barge poll having decommissioned its ERP nuclear power plants at the insistence of the Green Party in the wake of Fukushima… only to revive coal-fired in the wake of Nord Stream.

But it can be done, quite easily, as one technical adviser of many years points out: "It's technically feasible and will be HVDC for such a length to reduce resistance and losses. Just very expensive."

This source, using the 700MW Celtic Interconnector – the 575km HVDC between the south coast of Ireland and the north west coast of Brittany, France – as a reference point, estimates the cost of the cable alone at £13.3 billion ($17.8bn).

An infra lender with an engineering background adds: "The energy losses over such a distance will be material and it's also exposed to Russian trawlers. I understand why they're doing it, but it's political rather than economic!"

Not everyone's a fan even if they agree that Sila Atlantik is feasible: "It doesn't though change the utter idiocy of a nearly 5,000km line and the cost and risk of building and maintaining it. Rather sell the power generated in Morocco to Spain or France or Portugal which are so close by."

The veteran infra source continues: "To the grid people saying it's feasible – just because it can happen doesn't mean it should. It is expensive, risky and a vanity project focused on solving engineering challenges… whereas it's a sh*t project on a commercial risk adjusted basis."

But the last word should go to the infra grandee who points out: "You'd think the Germans would have learned their lesson about bypassing their neighbours by building massive underwater energy transmission assets."