



Press release
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ScottishPower secures £600m National Wealth Fund green financing for strategic UK subsea power link Eastern Green Link 4

ScottishPower, through its parent company Iberdrola, has secured £600 million in financing from the National Wealth Fund to support the development of the Eastern Green Link 4 project, a strategic electricity interconnector that will strengthen the UK's energy security and self-sufficiency, while helping to meet its Clean Power targets.

Eastern Green Link 4 (EGL4) is a new 2GW High Voltage Direct Current (HVDC) subsea power link that will help reduce constraint costs by transporting domestically produced energy from where it is generated in Scotland to areas of demand in England. Running between Fife and Norfolk, the 530 km high-voltage cable will be able to transmit enough electricity to power the equivalent of 1.5 million UK homes.

Long-distance, bidirectional subsea infrastructure projects such as EGL4 are essential to reinforce the UK's energy security and lower the cost of electricity for homes and businesses by reducing dependence on imported fossil fuels that are exposed to volatile international markets.

This transaction builds on the National Wealth Fund's £600 million loan in May 2025 to support the development of seven of ScottishPower's priority network initiatives. The ongoing collaboration between ScottishPower and the National Wealth Fund to drive investment in the UK grid demonstrates the power of the public and private sector joining forces to support the transition to lower cost, homegrown, clean energy.

The National Wealth Fund prioritised the grid as an area for investment in its recent strategic plan and as a public finance institution is able to offer greater flexibility, with a longer tenor facility to allow Scottish Power to better align the debt profile with the life of the assets being financed. With National Energy System Operator (NESO) estimating that £58 billion will be required in Great Britain by 2035 to support the delivery of the clean power system, the National Wealth Fund also has a role to play in widening the pools of capital available to the sector.

This new financing enables the Iberdrola Group to continue advancing its ambitious plan to develop distribution and transmission networks in the United Kingdom, which involves capex investments of £12 billion (€14 billion) through 2028 to continue expanding electrification and responding to the expected increase in electricity demand.

Chancellor Rachel Reeves said: “This is exactly why we created the National Wealth Fund - to put the full power of government behind strategic investment in partnership with business that secures Britain’s future. This investment will build the energy infrastructure of tomorrow, strengthen our energy security, and help bring down bills.

“We have the right economic plan for Britain - built on stability, investment and reform - with an active, strategic state helping to build a stronger, more secure economy and make working people better off in every part of Britain.”

Oliver Holbourn, CEO of the National Wealth Fund, said: “By supporting nationally significant projects like Eastern Green Link 4, we are demonstrating our commitment to strengthening our national infrastructure to help ensure our energy system is fit for the future.

“Our financing will support Scottish Power to go further and faster to deliver crucial grid upgrades and in doing so unlock clean energy for homes and businesses across the country.”

Keith Anderson, CEO of ScottishPower, said: “We are pleased to be strengthening our relationship with the National Wealth Fund to deliver these critical investments. By working together to support the delivery of the Government’s Clean Power 2030 pathway, projects like EGL4 are meeting our shared goals of accelerating electrification, boosting the UK economy and delivering energy security.”

Energy Minister Michael Shanks said: “Grid upgrades are vital to getting Britain off the rollercoaster of fossil fuel prices allowing us to make the most of the low-cost clean energy we generate.

“Network investment is delivering growth across the country jobs too, with Scottish Power set to double its transmission workforce in central and southern Scotland, creating opportunities for good, well-paid careers.”

Scottish Secretary Douglas Alexander said: “This major investment by the UK Government’s National Wealth Fund demonstrates our commitment to essential grid infrastructure like this subsea power link. Through investment like this one, we are helping to kickstart economic growth and delivering on our commitment to a decade of national renewal.”

About Iberdrola

With a market capitalization of approximately €135 billion, Iberdrola is Europe's largest electricity utility and one of the two largest globally. The Group supplies energy to more than 100 million people worldwide, employs 45,400 professionals and manages total assets of €161 billion. In 2025, Iberdrola reported record net profit of approximately €6.3 billion. The company contributes nearly €10.4 billion annually in tax payments across the countries in which it operates and supports more than 500,000 jobs throughout its supply chain, driven by €13.2 billion in annual procurement from tens of thousands of suppliers.

Since 2001, Iberdrola has invested more than €175 billion in electricity networks, renewable energy and energy storage to advance an energy model centred on electrification. The company operates approximately 1.4 million kilometres of electricity networks in the United States (New York, Connecticut, Maine and Massachusetts), the United Kingdom (Scotland, England and Wales), Brazil (Bahia, Rio Grande do Norte, Pernambuco, São Paulo, Mato Grosso do Sul and Brasília) and Spain. Iberdrola also has installed capacity of 58,000 MW worldwide, of which more than 45,000 MW is renewable capacity.

About the National Wealth Fund

The National Wealth Fund is the UK government's principal investor and policy bank, charged with deploying capital at scale to drive investment into the UK's clean energy and growth industries in support of government policy. Investments must meet its triple bottom line: helping deliver the government's growth and clean energy missions, generating a return for the taxpayer and crowding in private capital. The National Wealth Fund is based in Leeds and has £27.8 billion of finance to deploy. It has a team of investment professionals with expertise to invest across the capital structure, including loans, equity investments and guarantees. The National Wealth Fund also provides commercial and financial advisory services and market leading lending to local authorities across the UK. The Fund is wholly owned by HM Treasury but is operationally independent from government.