James Norman
Ofgem
10 S Colonnade
Canary Wharf
London

18 June 2020

Dear James,

Shetland transmission project: Consultation on proposed Final Needs Case and Delivery Model

Scottish Renewables is the voice of Scotland's renewable energy industry, working to grow the sector and sustain its position at the forefront of the global clean energy transition. We represent around 260 organisations across the full range of renewable energy technologies in Scotland and around the world, ranging from energy suppliers, operators and manufacturers to small developers, installers, and community groups, as well as companies throughout the supply chain.

The Shetland Islands are home to some of Europe's greatest wind resources, both on and offshore. However, renewables development on the islands has been limited by the lack of a connection to the GB grid which would allow the export of surplus generation.

Scottish Renewables therefore welcomes Ofgem's decision to approve the construction of a 600MW transmission link between mainland Scotland and Shetland. A number of our members have been developing onshore wind projects in Shetland and timely progression of a connection to the islands would enable this new renewable generation to connect to the GB grid, helping to meet the UK and Scottish Government's energy and climate change ambitions. The projects would also bring significant local economic benefits to a region that has seen comparatively little renewable energy development to date.[1]

[1] Baringa: Economic Opportunities of Renewable Energy for Scottish Island Communities

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Scottish Renewables agrees that CBA processes by Ofgem and SHE-T have been sufficiently robust in determining the 600MW cable to be the preferred option, taking into account conditionality set by SHE-T and the known project pipeline.

We are aware of some concerns that a 600MW link would not provide sufficient headroom for projects on Shetland. We would note however that generation capability is greater due to the growth in demand and storage accounted for in the CBA process and therefore it is important that the Transmission Entry Capacity (TEC) contracted reflects this, i.e. rising to 800MW in 2034. We would also highlight that concerns remain of how some of the mechanisms proposed to facilitate further connections would work in practice and we would encourage Ofgem and SHE-T to continue to engage with developers on these areas.

Delivering island reinforcements which enable renewable energy developments to come forward on Scotland's islands are critical to meeting our decarbonisation ambitions, and we welcome Ofgem's assessment that this connection is both required and viable.

Scottish Renewables would be keen to engage further with this agenda and would be happy to discuss our response in more detail.

Yours sincerely,

Cara Dalziel

Policy Manager

Scottish Renewables