

## **Response to Project TransmiT Consultation**

Dear Sirs,

Point and Sandwick Trust (PST) is a 100%-community owned energy company with planning consent for a 9 MW wind farm in the Western Isles.

PST has accepted a grid connection offer which will allow us to connect to the distribution grid under Connect and Manage by October 2013. PST is therefore not directly affected by the current transmission charging regime or by the outcome of Project TransmiT.

However, we have an interest in seeing other community owned projects get connected in the future in the Western Isles and it is on that basis we wish to submit our views.

We have modelled our wind farm using the current transmission charging regime. We have found that if we had to pay the proposed transmission charges for the Western Isles, our wind farm would not be viable. Our modelling shows that although it would show a nominal profit over 25 years, the cash-flow would be negative in the first 12 years, in other words for the entirety of the debt term. Obviously, our wind farm would not be able to raise any debt finance on that basis.

We ask Ofgem, therefore, to revise the transmission charging regime so that it allows future wind farm projects to be profitable from the outset of their operation. We believe that this is in the national interest and in the interest of the regeneration of the Western Isles economy through the further development of community-owned wind farms.

We would be happy to make our financial business plan and spread sheets available to Ofgem if they wish to test our findings.

Calum MacDonald

Development Director, Point and Sandwick Trust.

16 November 2010.