



ALASDAIR ALLAN
MSP for the Western Isles - BPA airson nan Eilean Siar

Ofgem
9 Millbank
London
SW1P 3GE

Ref: AM10/106
26th October 2010

Response to Project Transmit Call for Evidence

To Whom It May Concern,

I am grateful to Ofgem for this opportunity to contribute my view as part of the Project Transmit call for evidence.

As the Member of the Scottish Parliament for the Western Isles, I represent a chain of 13 inhabited islands in the Outer Hebrides, which are home to approximately 27,000 people. These islands, and the seas around them, are fast becoming recognised as some of the best areas in Scotland and the UK for renewable energy generation.

There are, however, a number of issues in remote and rural areas of the Highlands and Islands as regards current transmission charging arrangements, which are well documented.

The current transmission charging policy is in my view (and the view of numerous others, including the Scottish Government) quite simply wrong and discriminatory. At its simplest, the Western Isles are being charged large amounts of money to export energy to the National Grid, despite having so much renewable potential, whereas in the Southeast of England and London plants are effectively subsidised by the transmission charging system to produce energy, whether it is from a renewable source or not.

On average the Western Isles are paying £21.1042/kW to export energy, whereas in places like Cornwall it is -£6.6838/kWn and in Bournemouth -

M4.07, The Scottish Parliament, Edinburgh, EH99 1SP
M4.07, Pàrlamaid na h-Alba, Dùn Èideann, EH99 1SP
Phone /Fòn 0131 3486744
Fax /Facs 0131 3486746
Email/post-d: alasdair.allan.msp@scottish.parliament.uk
website/làrach-lìn: www.alasdairallanmsp.net
Parliament website/làrach-lìn na pàrlamaid: www.scottish.parliament.uk



ALASDAIR ALLAN

MSP for the Western Isles - BPA airson nan Eilean Siar

£3.2820¹. I have not yet heard an argument to convince me that this is an equitable arrangement.

The current transmission charging regime penalises not only those who want to invest in large scale renewable energy projects in rural areas, where much of the potential is, but also community groups, seeking to invest in their local communities via renewable energy, who can ill afford the current transmission charges.

This charging anomaly needs to be addressed to allow all parts of Scotland the ability to compete on a more equal footing with communities elsewhere and to encourage investment in renewable energy generation through fairer charging.

Scotland, and particularly the Highlands and Islands, have huge renewable potential but must have a fair access to the National Grid to allow for the transmission of their vast renewable energy potential.

Yours faithfully,

Alasdair Allan MSP

¹ <http://www.scottish.parliament.uk/Apps2/Business/POA/default.aspx?pq=S3W-27749>

M4.07, The Scottish Parliament, Edinburgh, EH99 1SP

M4.07, Pàrlamaid na h-Alba, Dùn Èideann, EH99 1SP

Phone /Fòn 0131 3486744

Fax /Facs 0131 3486746

Email/post-d: alasdair.allan.msp@scottish.parliament.uk

website/làrach-lìn: www.alasdairallanmsp.net

Parliament website/làrach-lìn na pàrlamaid: www.scottish.parliament.uk