

SENT ON BEHALF OF BLUE ENERGY WIND LIMITED (“BLUE ENERGY”)

To whom it may concern

Dear Sirs,

Re: Implications of the RIIO-T2 Draft Determinations: Consultation Response

Blue Energy is a highly experienced independent and privately-owned developer of renewable energy infrastructure. We have developed and constructed circa 300MW of transmission and distribution connected onshore windfarm and solar projects in the United Kingdom between 2011 and 2020. We are currently developing several new projects across the North of Scotland, which are at different stages of development.

I am writing in response to the RIIO-T2 Draft Determinations on SHE Transmission’s (SHET) Business Plan and our views and significant concerns about the potential impacts of these determinations on Blue Energy’s current and future project portfolio. The approach Ofgem has taken in these determinations potentially jeopardises the viability of all these projects. The impact on our future pipeline of projects is also of great concern should they become subject to reinforcements that are not currently in the “Certain View”.

The new uncertainty mechanisms being introduced appear to us to be at the least inefficient. The lengthy approval processes in particular risk material delays to securing the critical investment required to alleviate current and future constraints and this could result in any future generation projects we are developing being offered connection dates as late as 2030. This is not in line with the timescales we need to keep our current projects economically viable, to continue to invest in new development opportunities **and more generally does not support a clear pathway for the industry to meet the Government’s own net zero emissions targets**. These concerns are amplified by the apparent lack of agreement on the timescales for delivering MSIP projects in particular. **We would therefore ask Ofgem to remove the fixed window for SHET to apply and for Ofgem to set out clearly that applications will be assessed within six months, to avoid delays to customer connections.**

We are also disappointed by Ofgem’s decision to apply cuts to overheads which will impact the improved services for connections. We would benefit greatly from more detailed information being available to us when developing projects and the Customer Hub, online capacity maps and new tailored customer products and services would make the connection process more accessible to renewable generation and cost effective. Digitalisation needs significant initial investment now to realise lasting efficiencies for customers and bill payers in the long term. We also consider that it would be helpful for overheads to be included in SHET’s allowances to fund the delivery of the commercial and connections policy and digitalisation strategy that have been approved.

We would welcome the opportunity to engage on these points further to support the future of the industry and to ensure that our own business can be safeguarded.

Yours faithfully

Kind regards

Simon Foy
Commercial Director
Blue Energy