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Dear James Norman, Head of Electricity Transmission and Development

### **Shetland HVDC link project assessment**

Please see below our responses to your questions set out in your consultation in relation to the Shetland HVDC link project assessment.

#### Question 1

*Do you agree with our proposed cost allowances for the Shetland Link Project?*

We do not agree with the proposed cost allowances for the Shetland link project. At the time the Shetland link project was being considered, both the unpredictability around construction costs owing to the location of the project and the risk of Covid and Brexit uncertainties were known. At a time when consumers are facing a looming energy crisis, it's not acceptable that they, including those very vulnerable, are being unfairly faced with additional costs because of a financial mess regulated by Ofgem.

#### Question 2

*Do you agree with our proposals for how to treat the following types of risk:- High impact; low probability; difficult to quantify and covid risks?*

We do not agree with the proposals for treating the types of risk as mentioned above. If the previous consultations had been more inclusive towards the public's opinions in relation to the risks as mentioned, this situation would not have arisen. Ofgem are now clearly trying to decorate a catastrophe with careful words. Most of the total costs of this risky project will be the responsibility of the consumers and taxpayers regardless if costs are shown as an up front cost allowance or disguised and buried under a ring fence... !

The deviation to the LOTI mechanism exhibits evidence that the previous Opex Escalator mechanism has been deemed as unsatisfactory owing to the problematic costs and unseen events of the Shetland link project.

#### Question 3

*Do you agree with the proposed delivery output and delivery date?*

This appears to be an irrelevant question at this late date. To set targets on a project that's out of control is impossible.

Question 4

*Do you agree with our view of the implementation of the Re- profiling and Project Delay Charge Large Project Delivery mechanisms on this project?*

We sincerely hope that any costs of this penalty do not end up being met by the consumers, especially given the current energy crises that is emerging within the UK.

Question 5

*Do you agree with the modifications to Special condition 1.1 of SSEN's transmission license?*

If Ofgem had favoured the LNG proposal as a sustainable low cost alternative to the Shetland link, the situation for consumers, Islander's, Ofgem and the environment would have been more effectively dealt with.

Question 6

*Do you agree with our proposed modifications to Special Condition 3.31 of SSEN's transmission licence?*

These complex legal terms and loopholes appears part of a scheme to confuse and distance the layman consumer from the ongoing financial struggles and dilemmas of Ofgem.

Final thoughts, it's quite clear to us that writing this letter is pointless, just like all consultations! Ofgem's remit should be to protect the consumer as well as the economy, however past events have shown Ofgem have favoured multinationals and shareholders tragically passing on the burden of cost to other sectors of the UK economy both private and business.

Yours sincerely

Alan Moncrieff