



Horshader Community Development

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This submission is on behalf of Horshader Community Trust (HCDT). HCDT manages funds raised by its subsidiary Risort Power Group, who own and operate a community-owned wind turbine, the first in the Outer Hebrides when set up in 2012.

We fully endorse the submissions made by Community Energy Scotland and Point and Sandwick Trust. We have copied below part of the CES response

The TNUoS methodology is fundamentally unfit for the present era, and still incentivises centralised fossil-fuel generation in England and Wales, whilst penalising renewable generation in Scotland. This is entirely at odds with our net zero pathway. Hydro schemes, wind turbines, solar panels, tidal and wave turbines are all dependent on the local natural resources. Community-owned renewable energy projects tend to cluster in areas where those resources are found in abundance, and by their nature, cannot locate generation far distant from their communities. The priority for Ofgem in our view, should be to support and encourage a fair, flexible and realistic plan for decarbonising the UK energy resources which includes and supports citizen-led community energy rather than working against it.

HCDT calls for Ofgem to support community-led energy and decarbonisation, instead of disincentivising the production of renewable energy for groups based in rural areas.

In response to Question 3c, HCDT supports the CES response:

The current approach is entirely marginal and does not allow distribution network operators to plan for increased generation or demand. Subsea cables are replaced with like for like when increasing the capacity would be at marginal extra cost, which has a negative impact on generators that are curtailed without financial reimbursement, and therefore has a negative impact on the amount of renewable generation that is generated.

It seems likely that the failure of the sub-sea cable in October 2020, and the atrocious effects on the local environment, and the production of renewable energy, could have been avoided had the

infrastructure been suitably upgraded. We believe the sub-sea cable that failed had been in place long after its estimated lifespan. Additionally, it's discouraging to learn that SSE have refused to lay a second cable, or an upgraded cable, and are simply replacing the previous cable like for like. This last decision may have contributed to the lack of insurance cover for cable failures which the generating groups must deal with.

In response to Question 5a, HCDT fully endorses the response by CES:

Locational demand for low carbon technology is inelastic however the TNUoS charges are built on the assumption it is elastic. It is therefore not fit for purpose and applying it to further generators is not helpful in reaching net zero. The locational signals for generation made more sense when generators' output was not dependent on things outside of human control e.g. the weather. Pumped hydro storage, wind turbines, solar panels, tidal and wave turbines are all dependent on the local natural resources and are required for the net zero targets to be met.

As set out in our response to 3f, the increasing electrification of transport and heat may also mean that GSPs that are 'exporting' at present may not be in the near future; flows up onto the transmission network may soon significantly reduce, or in some locations end entirely. A change should not be made independently; it must be considered alongside a wider review of TNUoS, which is fundamentally flawed at present.

Furthermore, the wording of the question implies that it is inconsistent for 'small' Distributed Generators (up to 100MW) to not be charged TNUoS. This premise seems odd, as it ignores several key points;

- *Firstly, small distributed generators pay for the upfront cost of their connection, whereas transmission-connected generators do not.*
- *Secondly, small distributed generators pay DUoS (which may yet increase), whereas transmission connected generators do not.*

If SDG had transmission costs imposed as well then transmission connected generators would only pay TNUoS, whilst SDG would pay their connection costs, DUoS and TNUoS – which hardly seems consistent. Yes, some distributed generators do use the transmission system to an extent, but they also reduce the need for transmission by directly supplying loads behind the same GSP (and as noted above, this will likely increase as heat and transport electrify). Transmission connected generators, conversely, also rely on the distribution networks in order for their power to reach their customers, with the exception of the small number of directly transmission-connected industrial loads.

On behalf of the Board of Directors,
Flora Macleod
HCDT Chair

