

Email to:

RIIOElectricityTransmission@ofgem.gov.uk

21 January 2022

Dear James,

Isle of Skye project – Initial Needs Case consultation

Scottish Renewables is the voice of Scotland's renewable energy industry. The sectors we represent deliver investment, jobs, social benefits and reduce the carbon emissions which cause climate change. Our members work across all renewable energy technologies, in Scotland, the UK, Europe and around the world. In representing them, we aim to lead and inform the debate on how the growth of renewable energy can help sustainably heat and power Scotland's homes and businesses.

Northern areas of Scotland have significant renewable resources, with some of Europe's greatest wind resources, both on and offshore. Renewable energy in Scotland is already providing the equivalent of 98.6% of Scotland's electricity consumption¹, supporting our ambitious emissions reduction targets. However, the electrification of heat and transport will increase the demand for clean electricity, and more progress will be needed to reach The Scottish Government net-zero target by 2045.

Scottish Renewables supports the Fort Augustus-Skye reinforcement project proposed by SSEN Transmission. This project is looking to replace and increase the capacity of the existing Fort Augustus-Skye overhead electricity transmission line that runs from Fort Augustus to Ardmore in the north of Skye. The existing Fort Augustus-Skye line has already exceeded its capacity limit and relies on standby diesel generation for demand security; thus, the upgrade of the line will enable the connection of new renewable electricity to the transmission network in the Northwest of Scotland. We consider this necessary as we are moving toward a more electrified energy system with expectations of increased demand for clean electricity.

In this context, we do not agree with Option 1b, which would not provide enough electrical transfer capability to connect the generation capacity required by developers currently requesting connections, nor facilitate future generation looking to connect in the region. We believe that the line should be upgraded once with sufficient capacity for future projects. We also believe that a decision on the final needs case by Ofgem should be well before planning applications for the transmission line are required to be submitted.

¹ <https://scotland.shinyapps.io/Energy/?Section=RenLowCarbon&Subsection=RenElec&Chart=RenElecTarget>

The replacement will also be essential to maintain network reliability and security of supply to homes and businesses along the route of the line, and to the Western Isles, which are supplied via two distribution subsea cables from Ardmore point. A recent storm has already caused damage to sections of the existing line, resulting in the cut of power to thousands of homes in the area². Therefore, this replacement is vital to improve the condition of the line, which is fast approaching the end of its operational life as demonstrated by the various failures depicted in Appendix 2 of the consultation document.

Overall, we think there is a clear needs case for the Fort Augustus-Skye reinforcement project, proven by its current state of disrepair and the need to alleviate current and future constraints. By connecting more generators this project will support the UK and Scottish governments' green energy ambitions.

Scottish Renewables firmly believes that a long-term view when it comes to “net-zero at least cost to the consumer” must be considered in any decision. Therefore, it would be important that the replacement line proposed anticipates future renewable generation looking to connect in the years ahead. This will avoid an iterative approach to network development that will be more expensive in the long term and that will ultimately be placed onto energy consumers to pay. In this context, we noted that options 4a and 4a01 of the technical options proposed in the consultation meet the long-term requirement that includes net-zero at least cost to the consumer. However, option 4a01 takes 5 years longer than option 4a, and the existing line requires intervention urgently to maintain the security of supply in the area. Therefore, we are fully supportive of option 4a going ahead.

Regarding the Ofgem proposal on using the Competitively Appointed Transmission Owner (CATO) model, we agree with the concept of increasing competition in grid connections to help drive down costs. However, we would like Ofgem to ensure that the introduction of competition does not delay the timely delivery of the Skye project so that the projects referenced in Appendix 3 of the consultation can be built out within their contracted connection dates.

Finally, we noted that the Large Onshore Transmission Investments (LOTI) guidance from Ofgem states that all material planning consents must be secured before submission and approval of the Final Needs Case (FNC). We would like to suggest that Ofgem's regulatory assessment aligns with the planning process to allow decision making of the FNC in parallel. Otherwise, delays to project delivery could happen, which would be undesirable given the urgent need for upgrading the line.

² <https://www.bbc.co.uk/news/uk-scotland-highlands-islands-56346111>

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Angeles Sandoval", with a long horizontal flourish extending to the right.

Angeles Sandoval

Policy Manager | Networks & Markets