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Consultation

Argyll and Kintyre: Consultation on the project's Initial Needs Case

Subject	Details
Publication date:	23rd September 2022
Response deadline:	21st October 2022
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We are consulting on our assessment of the Initial Needs Case for Scottish & Southern Electricity Networks' proposed Argyll and Kintyre ("Argyll") 275kV Reinforcement Strategy. We would like views from people with an interest in new transmission infrastructure, meeting the Net Zero challenge, and competition in onshore transmission networks. We particularly welcome responses from consumer groups, stakeholders impacted by the Argyll project, stakeholders interested in the costs of electricity transmission infrastructure and the electricity transmission owners. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose, and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at **Ofgem.gov.uk/consultations**.

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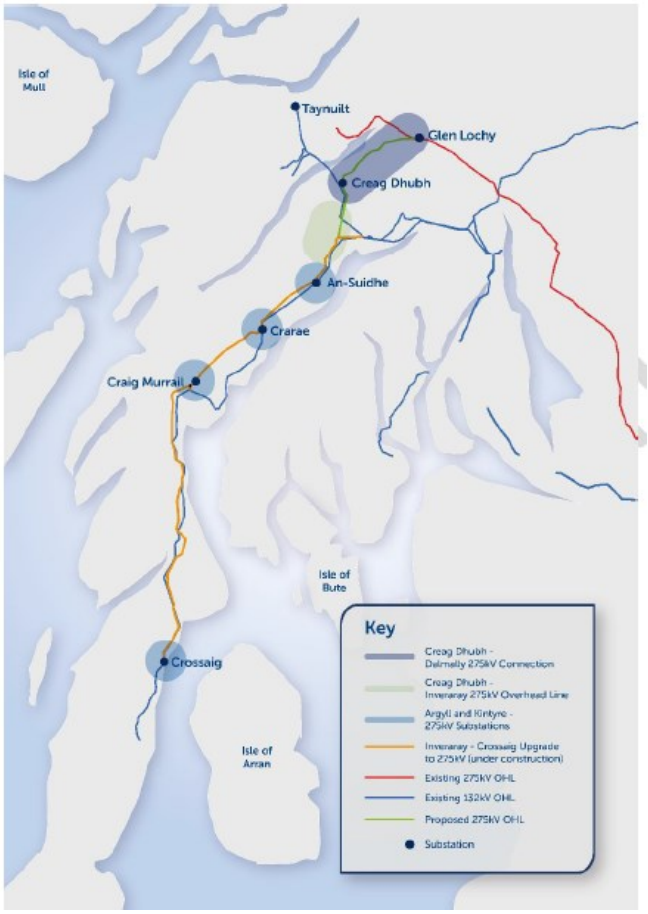
Executive summary

Argyll project and what this document covers

Scottish & Southern Electricity Networks (trading as Scottish Hydro Electric Transmission plc) (SHET) own and operate the transmission network in the north of Scotland. In March 2022, we received an Initial Needs Case (INC) submission[1] from SHET for its proposed 'Argyll and Kintyre 275kV Reinforcement Strategy' (Argyll) project. The Argyll project is an electricity transmission infrastructure project that upgrades parts of the existing network from Crossaig to a connection point located east of Dalmally Village on the Scottish Power Transmission (SPT) Dalmally-Windyhill 275kV Overhead Line (OHL). With the appropriate network infrastructure, SHET intends to uprate the 132kV operation to 275kV. SHET's preferred option for this INC can be seen in figure 1.

Figure 1: SHET's preferred option for Argyll



[1] Argyll & Kintyre Reinforcement Strategy Initial Needs Case Submission, 11 March 2022

The Argyll project is driven by the need for the transmission network to accommodate increased renewable energy generation expected to connect in the local area whilst ensuring security of supply is maintained across the network. SHET has estimated that the Argyll project will cost c.£352 million with a completion date[2] of April 2027.

In accordance with our RIIO-2 price control arrangements, we have assessed the need for the proposed project under our Large Onshore Transmission Investment (LOTI) re-opener mechanism[3] and its suitability for delivery through a competition model.

This consultation seeks stakeholder views on our assessment of the INC for the Argyll project. The INC stage is intended to provide clarity for SHET and wider stakeholders on our view of the progress of the Argyll project to-date and what the focus of our assessment will be at the next stage of assessment, the Final Needs Case (FNC). It also sets out our initial thoughts on the suitability of applying a late competition model to the Argyll project.

LOTI Initial Needs Case assessment

We consider that there is sufficient evidence of a clear needs case for the Argyll project. SHET has made the case that reinforcement is required. SHET has also been proactive and provided a view of potential renewable generation that could be sufficient to warrant additional investment to add capacity to the Argyll and Kintyre network.

We consider that the cost benefit analysis (CBA) undertaken by SHET as part of the INC submission is robust and supports the need for the Argyll project. We are also satisfied that the CBA has considered the most relevant technical options.

We agree that at this point the preferred option put forward by SHET, is reasonable and likely to provide the optimal solution given the background generation assumptions that underpin the CBA.

[2] See appendix 4 for programme timeline. Note: use Ctrl+Click to follow the link (hold down the Ctrl key and press the left mouse button). You can then return to this section of the document by using the Alt+LeftArrow keyboard combination (hold down the Alt key and press the Left Arrow key)
[3] Special Condition 3.13 of the Electricity Transmission Licence

We expect SHET to update its generation and demand forecast at the FNC stage based on the latest developments, particularly with regards to the progress of locally proposed generation.

Assessment of suitability for late competition models

As the Argyll project is being considered under the LOTI mechanism as part of the RIIO-2 price control, we have, in line with our Final Determinations for the RIIO-2 period, assessed the suitability of the Argyll project for 'late model' competition[4]. Our view is that the Argyll project would meet the criteria for delivery via a late model competition[5].

However, from our assessment, we do not envisage being able to implement either the Competitively Appointed Transmission Owner (CATO) or the Special Purpose Vehicle (SPV) model for this project without causing delay. In addition, we do not have sufficient confidence in the benefits that would be delivered to consumers by applying the Competition Proxy Model (CPM). Given this, our minded-to view is to retain the Argyll project within the LOTI mechanism of the RIIO-2 framework.

Large project delivery

In our RIIO-2 Final Determinations[6] we set out our approach to late delivery of large projects (>£100m) with the aim to ensure companies do not benefit from the delay and to protect consumers from the impact of such a delay.

We will set our minded-to position on which large project delay mechanism(s) to apply to the Argyll project as part of the FNC. We welcome early engagement with SHET on the matter.

Next Steps

We welcome responses to this consultation, both generally and on the specific questions we have included in Chapters 2 and 3. If you would like to respond to this document, please send

[4] 'Late model' competition refers to the late models of competition (i.e. run for delivery once a project is sufficiently developed) identified for consideration for LOTI projects within the RIIO-2 Period (the Competitively Appointed Transmission Owner (CATO) model, the Special Purpose Vehicle (SPV) model, and the Competition Proxy Model (CPM)). For further information, see RIIO-2 Final Determinations
[5] The criteria are new, separable, and high value (£100m or above)
[6] RIIO-2 Final Determinations, ET Annex (REVISED), page 32 onwards

your response to: RIIOElectricityTransmission@ofgem.gov.uk. The deadline for responses is 21st October 2022. We expect to publish our final INC view for Argyll in November 2022.

1. Introduction

What are we consulting on?

1.1. This document sets out our initial view on the need for a proposed electricity transmission project to ensure security of supply and to bring additional renewable electricity generation onto the network in southwest Scotland, on and near Argyll and Kintyre.

1.2. The chapters in this document are as follows:

- Chapter 1 introduces the project, providing context,
- Chapter 2 summarises the proposed findings and conclusions of our Initial Needs Case assessment,
- Chapter 3 summarises our proposed position regarding whether the Argyll project meets the criteria for late competition and when we intend to decide whether it should be delivered through one of the late models of competition as set out in the RIIO-2 Final Determinations,
- Chapter 4 summarises our position on large project delivery, and
- Chapter 5 summarises our expectation for the next stages of our assessment.

Context

1.3. The GB onshore electricity transmission network is currently planned, constructed, owned, and operated by three transmission owners (TOs): National Grid Electricity Transmission (NGET) in England and Wales, Scottish Power Transmission (SPT) in the south of Scotland, and SHET in the North of Scotland. We regulate these TOs through the RIIO (Revenue = Incentives + Innovation + Outputs) price control framework. For offshore transmission, we appoint offshore transmission owners (OFTOs) using competitive tenders.

1.4. SHET are currently regulated under the RIIO-ET2 price control, which started on 1 April 2021 and will run for 5 years. Under SHET's licence conditions, the LOTI mechanism allows for us to assess the need for, and efficient cost of, large and uncertain electricity transmission reinforcement projects. All projects that are submitted for assessment via LOTI during the RIIO-ET2 period are to be considered for their suitability for delivery through one of the late competition models.

1.5. Network investment decisions are informed by technical analysis from the Electricity System Operator (ESO) using the Great Britain (GB) Future Energy Scenarios (FES)[7] which it develops and publishes annually. A key focus of the FES is the inclusion of the legally binding[8] UK Government Net Zero targets, to be achieved by 2050. The transition to a Net Zero economy will see increased demand on transmission boundary capability, which will need to be facilitated by critical network reinforcements.

Overview of the Large Onshore Transmission Investments (LOTI) reopener mechanism

1.6. The LOTI re-opener mechanism provides TOs with a route to apply for funding for large investment projects that can be shown to deliver benefits to consumers, but that were uncertain or not sufficiently developed at the time we set costs and outputs for the RIIO-2 price control period. The LOTI mechanism provides us with a robust assessment process through which we can ensure that TO proposals represent value for money for present and future consumers.

1.7. To qualify for the LOTI mechanism TO proposals must meet the following criteria:

a) are expected to cost £100m or more of capital expenditure; and
b) are, in whole or in part, load related[9].

1.8. We are satisfied that the Argyll project meets these criteria and is therefore eligible[10] as a LOTI project. We are therefore assessing the Argyll project in accordance with the LOTI process as detailed in the LOTI guidance[11].

Stages of our LOTI assessment

[7] The FES is the ESO's representation of a range of different, credible ways to decarbonise the energy system to strive towards the 2050 target
[8] The Climate Change Act 2008 (2050 Target Amendment) Order 2019
[9] Part (b) of this criterion used to be either "wholly or partly load related" or "shared-use or sole use generator connection project related". As a result of a licence modification, which came into effect on 24 July 2021, the "shared-use or sole-use generator connection project" criterion no longer applies. However, this does not impact the project as this is a load related project. For further information on the licence modification, see the Decision on the proposed modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licences | Ofgem
[10] RIIO-2 Final Determinations, NGET Annex (REVISED), section 3.60
[11] LOTI Re-opener Guidance

1.9. Following the approval of eligibility, our LOTI assessment process is made up of three main stages:

1. **Initial Needs Case (INC)** - The usual focus of our assessment at this stage is to review the technical and/or economic requirement for the Argyll project, the technical options under consideration, and the TO's justification for taking forward its preferred option for further development.

2. **Final Needs Case (FNC)** – Following the securing of all material planning consents for the Argyll project the TO will then need to submit a FNC (unless we specify alternative timing). The focus of our assessment at this stage is to confirm the need for the Argyll project, by checking that there have been no material changes in technical and/or economic drivers that were established at INC.

3. **Project Assessment (PA)** – If the FNC is approved, the TO will then need to apply for a Project Assessment Direction. The focus of our assessment at this stage is the assessment of the proposed costs and delivery plan that the TO has in place for the Argyll project, with a view to potentially specifying in the TO's licence a new LOTI Output, a LOTI delivery date, and setting the efficient cost allowances that can be recovered from consumers for delivery of the Argyll project.

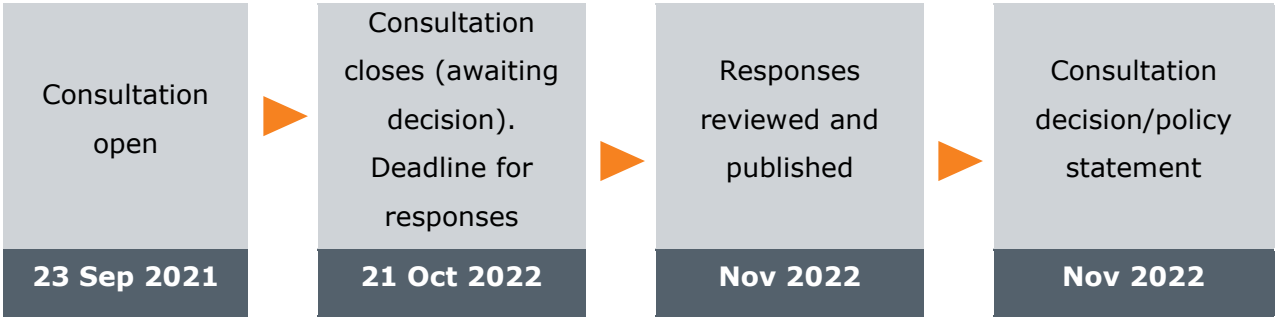
1.10. SHET submitted the INC for the Argyll project in March 2022. Chapter 2 of this consultation covers our assessment of the INC submission for the Argyll project and explains our initial findings.

Related publications

1.11. RIIO-2 Final Determinations: Ofgem.gov.uk/publications/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator

1.12. LOTI Reopener Guidance document: Ofgem.gov.uk/publications/large-onshore-transmission-investments-loti-re-opener-guidance

Consultation stages



How to respond

1.13. We want to hear from anyone interested in this consultation. Please send your response to: RIIOElectricityTransmission@ofgem.gov.uk.

1.14. We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

1.15. If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

1.16. We will publish non-confidential responses on our website at Ofgem.gov.uk/consultations.

Your response, data, and confidentiality

1.17. You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

1.18. If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the

information in your response should be kept confidential, and which can be published. We might ask for reasons why.

1.19. If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see appendix 5.

1.20. If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

1.21. We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

1.22. Please send any general feedback comments to stakeholders@ofgem.gov.uk.

How to track the progress of the consultation

1.23. You can track the progress of a consultation using the 'notify me' function on a consultation page when published on our website Ofgem.gov.uk/consultations.

1.24. Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status.

2. Argyll and Kintyre Initial Needs Case assessment

Section summary

This chapter sets out the key design choices SHET has made to date on the proposed Argyll project and the cost benefit analysis underpinning the need for, and design of, the Argyll project. It then sets out our initial views on the consideration of technical options by SHET to reach the preferred solution.

Questions

Question 1: Do you agree with the need for investment on the transmission network?

Question 2: Do you agree with our initial conclusions on the technical options considered?

Question 3: Do you agree with our initial conclusions on the cost benefit analysis and the appropriateness of the option taken forward?

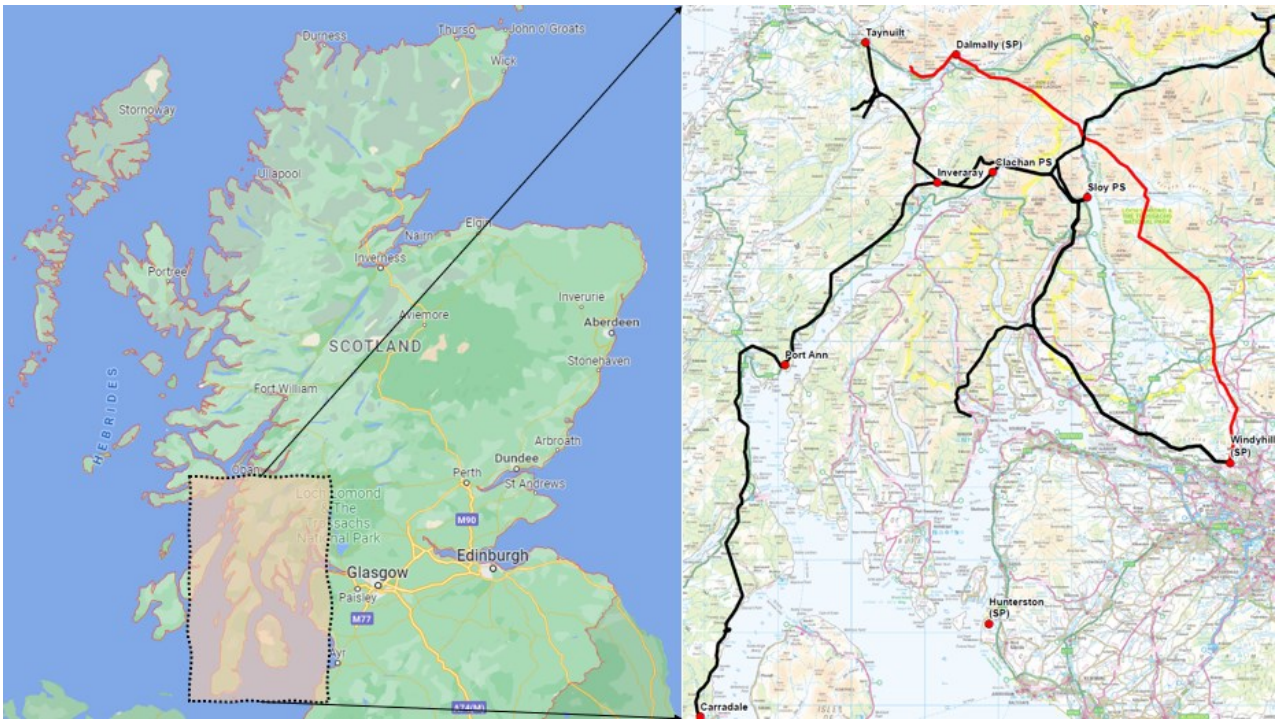
Overview of SHET's proposal

2.1. The 132kV transmission network in the Argyll and Kintyre area, situated in the south west of Scotland, was originally developed in the late 1950s and early 1960s. The original steel lattice towers ran over 80km near coastal areas and included several loch crossings. The Argyll and Kintyre network supplied customer demand via Grid Supply Point (GSP)[12] situated near the settlements in the area.

2.2. The geography of the region comprises a varying landscape of craggy upland and mountains cut through by deep glens, freshwater, and sea lochs. This results in terrain in which SHET considers construction, operations, and maintenance can be challenging.

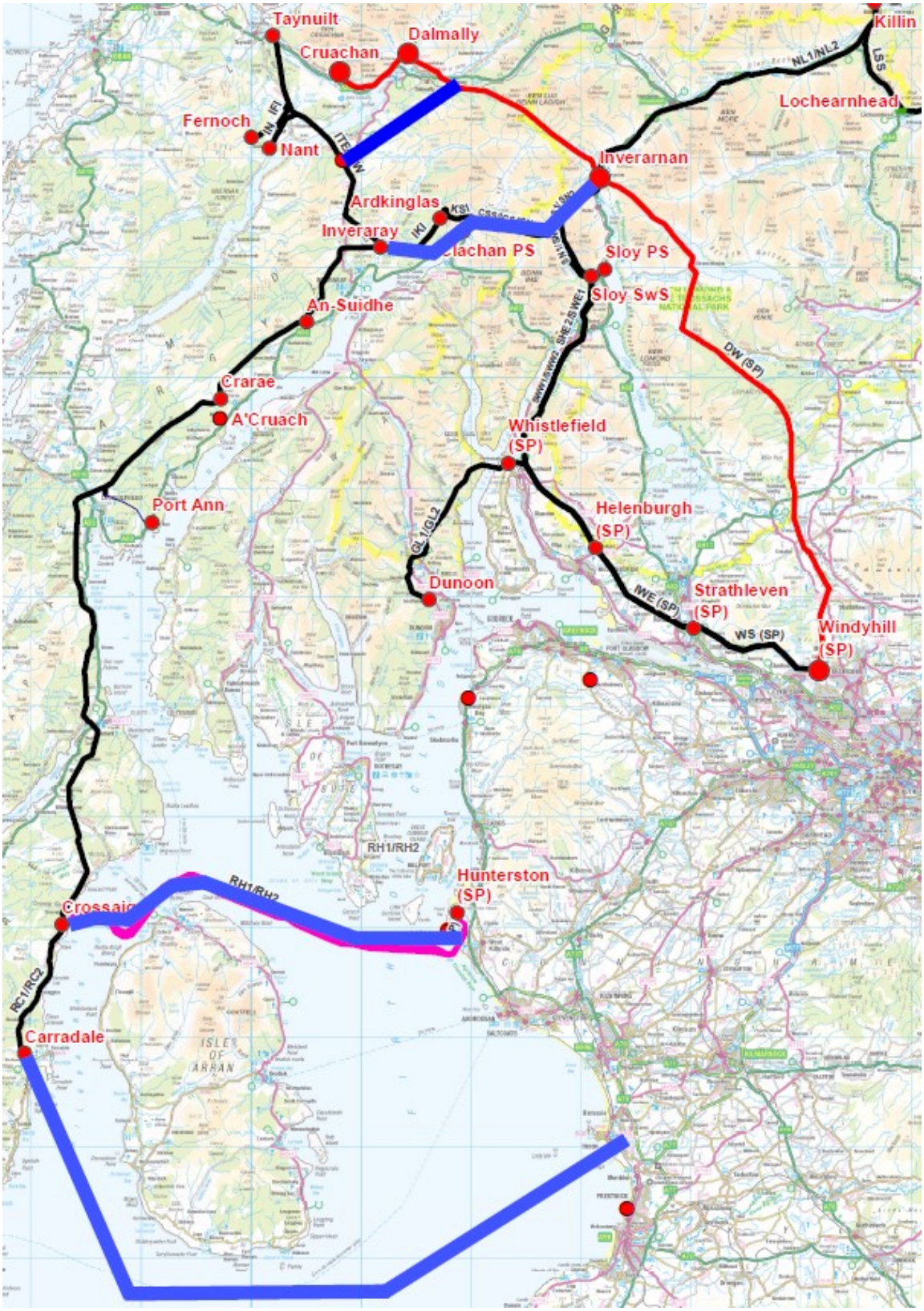
[12] A Grid Supply Point (GSP) is a system connection point at which the Transmission system is connected to a Distribution system. The GSP is SSEN Transmission's interface point with Scottish Hydro Electric Power Distribution plc (SHEPD)

Figure 2: Early 132kV transmission network



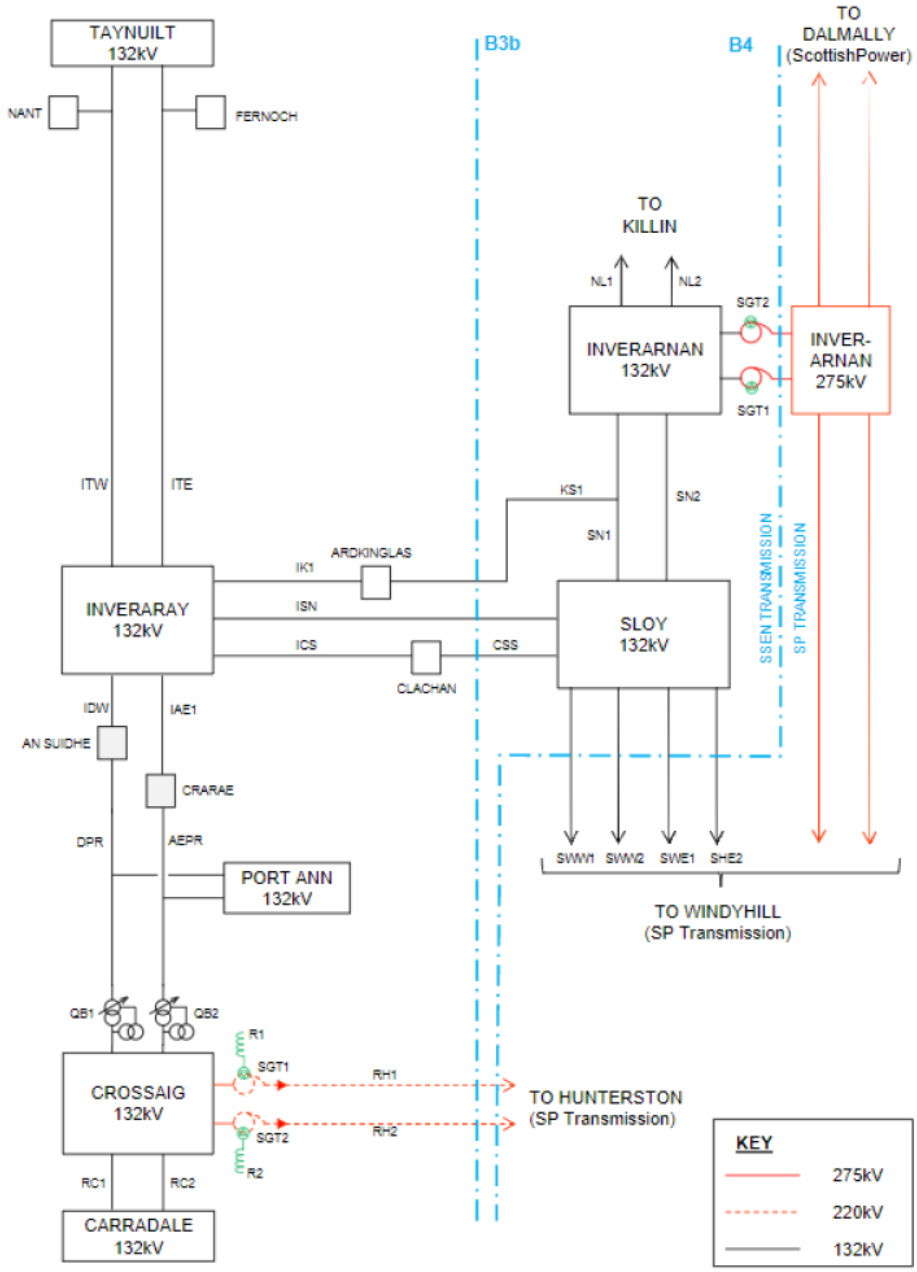
2.3. The current Argyll 132kV transmission network and surrounding area network is shown in figure 3. The map also shows four potential export routes marked in blue from Argyll to the wider GB network that could be built upon to increase local network capacity in order to address the increasing amount of generation in the area. Finally, Scottish Power Transmission's (SPT) existing 275kV OHL is also represented by the red line.

Figure 3: Current 132kV transmission network



2.4. The current base network comprises two export route corridors out of the area: three 132kV OHL circuits from Inveraray towards Sloy in the north, and two 220kV subsea cables from Crossaig to Hunterston in the south. The current network diagram is shown in figure 4.

Figure 4: Current network diagram



Why the Argyll project has been brought forward

2.5. SHET detailed two key drivers for the Argyll project in its INC submission:

i. Transmission capacity needs to be increased to accommodate additional renewable generation seeking connection, and

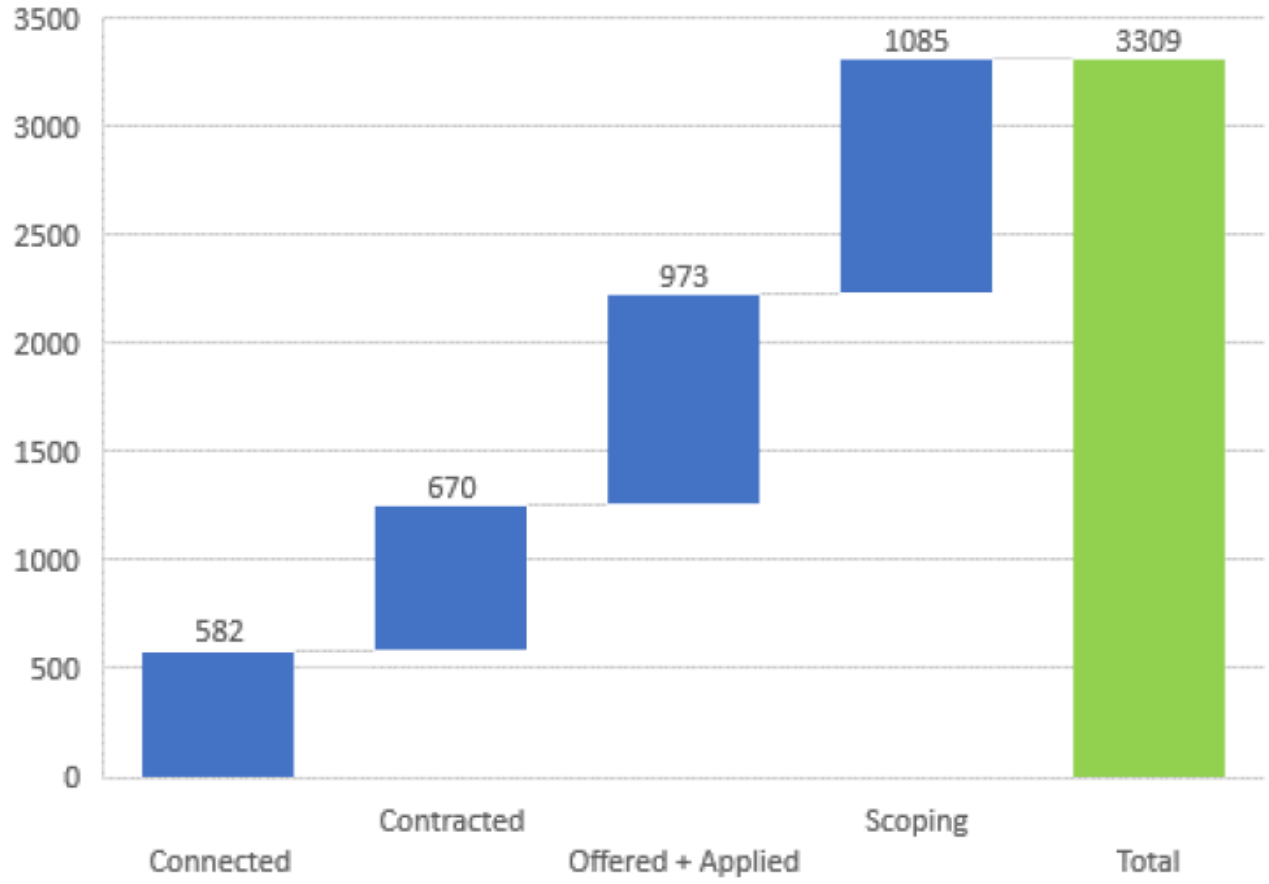
ii. Security of supply needs to be maintained at the GSP's in the area.

2.6. There is no imminent asset health need, however SHET has indicated that intervention will be required on insulators and associated fittings on the Inveraray to Taynuilt double circuit OHL at some point over the next decade.

(i) Accommodate additional renewable generation

2.7. SHET's INC submission identified a sustained increase in renewable generation seeking to connect to the Argyll and Kintyre network since late 2019. SHET supplemented this view by undertaking a stakeholder engagement event in April 2021 via a webinar to gather further information from developers. Overall, SHET has identified up to 2727MW[13] of potential generation that are at varying stages of development, which is broken down in figure 5.

Figure 5: Generation seeking to connect into the Argyll and Kintyre area



[13] 2727MW is made up of 3309MW Total generation less 582MW Connected current generation.

2.8. As per figure 5, 582MW of generation is currently connected to the network, which can accommodate up to 690MW. This indicates that the existing network can only accommodate an additional 108MW of generation. This means that up to 2619MW of the additional 2727MW of potential generation identified by SHET would not be able to connect to the Argyll and Kintyre network without network reinforcement.

2.9. SHET developed the 'Scenario Assessment Tool' (SAT) to assess the probability of generation connecting to the network. The SAT scores identified generation projects against a range of criteria identified as primary indicators of project development potential. The criteria help to assess the likelihood of future generation coming forward with a proposed connection to the transmission network.

2.10. We suggested changes to SHET's SAT criteria weightings to place a higher emphasis on a project's planning status as per the Skye project. The result of this is outlined in table 1.

Table 1: SAT criteria and weightings

Project criteria [14]	Original SHET weightings (%)	New Ofgem weightings (%)
Network Contractual Status	12.5	10
Project Planning Status	32.5	40
Ownership / Financial Considerations	10	10
Distribution or Transmission	10	5
Economies of scale	10	10
Distance to Connection	15	15
Location favourability	10	10

2.11. The SAT process uses the criteria weighting to provide an overall 'score' for each generation project. These scores are then used to identify which of four renewable generation scenarios (S1 to S4) the project's generation value (MW) would fall within, as per table 2. The four scenarios are intended to build upon the ESO's FES[15]. They are determined by deciding

[14] Further explanation of the seven project criteria can be found in appendix 1
[15] ESO's FES scenario framework showing how the four scenarios move towards decarbonation given differing levels of societal change

upon the relative ranking of each project's probability of proceeding and then scoring the thresholds that define each scenario.

2.12. SHET's four scenarios are aligned to the ESO's FES as follows: Steady Progression (SP) is aligned to S1, System Transformation (ST) to S2, Consumer Transformation (CT) to S3, and Leading the Way (LW) to S4.

Table 2: New renewable generation to 2050 across four scenarios

New renewable generation to 2050	S1	S2	S3	S4
SHET weighting	531MW	822MW	1,117MW	1,787MW
Ofgem weighting	510MW	664MW	904MW	1,609MW

2.13. The existing network, as per figure 5, can only accommodate up to an additional 108MW of additional generation capacity. To enable additional generation beyond this level as identified in any of the four scenarios in table 2, reinforcement of the line will be required.

(ii) Security of Supply

a. Demand

2.14. The current demand of 64MW is against the current 582MW of generation that the network is accommodating. As such the existing network is compliant against both the Demand Connection Criteria[16] of the NETS SQSS[17] and the Engineering Recommendation[18] for distribution networks.

2.15. SHET predicts that future peak demand by 2050 could increase by up to 51% over the current value of 64MW; however, the existing network currently has the capacity to meet this increase. SHET's based its view on the CT scenario as it is an aggressive demand growth scenario that aligns with an increase in electric heating, electric district heating, high energy efficiency, uptake in electric vehicles, and demand side flexibility.

b. Generation

[16] Chapter 3
[17] National Electricity Transmission System (NETS) System Security and Quality of Supply Standards (SQSS)
[18] ER P2/7

2.16. The Argyll and Kintyre network currently has a derogation in place from the connection capacity criteria. This is related to the implications of a simultaneous loss of both subsea cables in the south from Crossiag to Hunterston and the loss of a single circuit in the north on the Inveraray to Taynuilt double circuit radial line. Several of the interventions proposed by SHET will negate the need for the derogation to remain.

Options considered

2.17. SHET took a whole system approach to developing the Argyll and Kintyre network. A separately funded project[19] currently under construction will uprate the existing circuit from 132kV to 275kV, thereby providing a potential power transfer increase of 855MW from the Argyll region.

2.18. SHET has considered fourteen reinforcement options[20] for detailed analysis to address Argyll's key drivers. Options consisted of standalone and combined solutions with earliest in service dates (EISD). Given the significant computational burden of the probabilistic studies used in the detailed analysis, it was impractical for SHET to study all fourteen options across all generation scenarios. SHET therefore selected options which would avoid unnecessary runs. SHET did this by identifying network options with commonalities that allowed SHET to infer the operability performance of the options not studied from the results of the options studied.

2.19. After assessing strategic, technical, and stakeholder input, SHET shortlisted five options that deliver an operable and SQSS compliant network as outlined in table 3.

Table 3: Five shortlisted options

[19] SHET's Inveraray to Crossaig Overhead Line Replacement project
[20] A breakdown of the fourteen reinforcement options can be found in appendix 2

Option	Code[21]	Description	EISD	Cost[22]
05	DDNC1 DINC DCUP2	Creag Dhubh substation and new 275kV line (N/O)[23] New 275kV line Creag Dhubh – Inveraray Uprate Creag Dhubh - Crossaig Line to 275kV (I)[24]	2026 2027 2027	**£357.6m** [£351.8m]
06	DDNC1 DINC DCUP1	Creag Dhubh substation and new 275kV line (N/O) New 275kV line Creag Dhubh – Inveraray Uprate Creag Dhubh - Crossaig Line to 275kV (R)[25]	2026 2027 2027	**£357.6m** [£351.8m]
07	DDNC1 CKNC	Creag Dhubh substation and new 275kV line (N/O) Two subsea cables Carradale - Kilmarnock South	2026 2028	**£808.3m** [£759.2m]
08	DDNC2 CKNC	Creag Dhubh substation and new 275kV line Two subsea cables Carradale - Kilmarnock South	2026 2028	**£808.3m** [£759.2m]
09	DDNC1 DINC CKNC	Creag Dhubh substation and new 275kV line (N/O) New 275kV line Creag Dhubh – Inveraray Two subsea cables Carradale - Kilmarnock South	2026 2027 2028	**£841.9m** [£792.3m]

2.20. All five options will add power transfer capability, albeit to varying degrees, and therefore will increase the amount of renewable generation that can connect to the Argyll and Kintyre network. Furthermore, they will also remove the need for the current derogation.

CBA process and methodology

2.21. In line with the LOTI Guidance SHET worked with the ESO to develop and run a CBA to assess the performance of each shortlisted network design option in order to inform the INC submission. The ESO is involved in this process as it has visibility about the impact of local electricity transmission network designs on the rest of the GB electricity transmission network. As set out in chapter 1, paragraph 1.5, the ESO also develops the GB FES that helps model potential future supply and demand across GB including meeting Net Zero targets.

2.22. The reinforcement of the Argyll and Kintyre network presents some challenges to the standard CBA modelling approach the ESO follows on LOTI projects. The Argyll and Kintyre network is a relatively small concentrated section of the larger GB network zones used within the ESO's CBA model. The ESO's model determines the balance of supply and demand within

[21] Represents the work required (i.e. components) that make up each option's solution. A detailed description of what work these individual components are made up of can be found in appendix 3
[22] Cost made up of capital expenditure (CAPEX) and operating expenditure (OPEX). The CAPEX portion of the cost is contained within square brackets (i.e. [£XXX.Xm])
[23] Normally open circuit
[24] Interconnected network
[25] Radial network

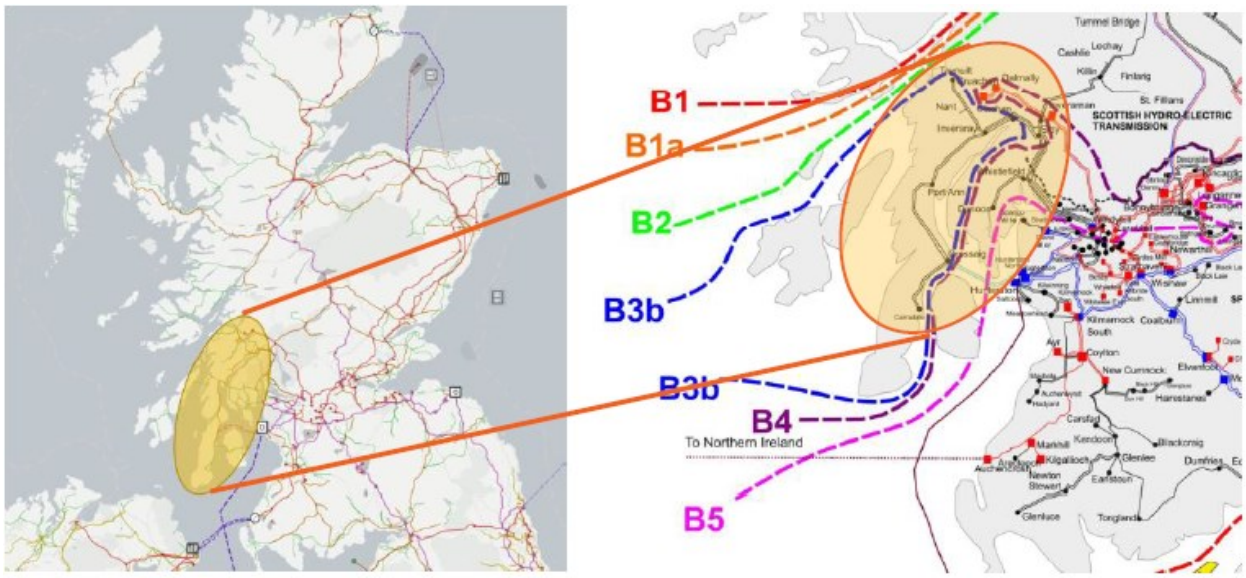
each zone on the GB network and evaluates the net power flows across the transmission boundaries[26]. It typically focuses on the modelling of these power flows across boundaries rather than modelling the system requirements to accommodate generation safely within a boundary.

2.23. The location of the Argyll and Kintyre network means it mainly sits behind the B3b boundary, with the two Kintyre – Hunterston subsea cables and the two circuits at Inverarnan crossing the B4[27] boundary as per figure 6. Focusing the CBA assessment only on the level of constraints across the boundary, as part of the ESO model, provides only a partial view of the intervention required to safely connect generation and the impact that different Argyll reinforcement solutions will have on the level of generation that can connect. Specifically, the exact location of future generation in the area will have an impact on the optimum technical solution required to accommodate this generation safely onto the network but not change the required boundary transfer requirement observed by the CBA. Therefore, it would not be sensible to assume that some options will deliver the apparent benefits that the CBA suggests. Furthermore, some technical options that may be able to deliver a boundary transfer uplift will leave the network within the boundary outside of SQSS compliance.

Figure 6: Map showing transmission boundaries and zones within the ESO's model

[26] Transmission boundaries split the electricity transmission system into two parts which represent pinch points on the network. This split crosses critical circuit paths that carry power between the areas where power flow limitations may be encountered. Zones are areas within boundaries and do not cross critical circuit paths. For more information on boundaries, see the ESO's Electricity Ten Year Statement 2020

[27] The B4 boundary is the network ownership boundary between SPT and SSEN Transmission. It is also a Main Interconnected Transmission System boundary which is assessed as part of the NOA process.



2.24. To overcome the boundary issue explained in the previous paragraph and show an overall view of the impact of the different options for the Argyll project to the GB consumer, SHET provided the ESO with a granular model of the Argyll transmission network to evaluate power flows and the alternative reinforcement options across the Argyll and Kintyre network. This view was combined with the existing FES allowing the ESO to represent the needs of the Argyll and Kintyre network when modelling the wider GB transmission system to produce an overall CBA.

2.25. The CBA for the Argyll project compares the likely benefits (in terms of reductions in future constraint costs[28]) across four generation scenarios versus the costs (in terms of estimated capital costs) of the investment options.

CBA results

2.26. The CBA was undertaken using the adjusted FES 2021 for the local Argyll and Kintyre topology, and the generation background as per Ofgem's criteria weightings set out in

[28] Constraint costs are payments made to generators by the ESO to stop generators producing electricity. It will make these payments when the electricity transmission network in a particular area does not have the capacity to safely transport all of the electricity that is being produced in that area. Such action from the ESO ultimately feeds into consumer bills which is why it is beneficial to reduce constraints costs

paragraph 2.10. SHET aligned[29] their four generation scenarios to the FES 2021 as this was the most up-to-date version at the time.

2.27. The ESO conducted its CBA analysis using SHET's initial fourteen reinforcement options before SHET had the time to carry out a full technical review of the options and narrow these down to a shortlist. As noted in paragraph 2.19, SHET shortlisted five options, options 05 to 09, as they are the only options that deliver a network that complies with the SQSS as well as have the additional capacity to connect generation. Given this, our assessment of the CBA results will focus on these five shortlisted options.

2.28. Table 4 shows the CBA results for the five shortlisted options that were tested. Options '05 and 06' and '07 and 08' both cost the same as they share identical reinforcement elements ('DCUP1 versus DCUP2' and 'DDNC1 versus DDNC2', respectively); however, options 05 and 08 provide the ESO with greater operational flexibility as they both represent interconnected solutions. The Least Worst Regret (LWR)[30] result is identical for options 05 and 06; however, option 05 is SHET's preferred solution given its system interconnectivity.

Table 4: CBA Least Worst Regret results[31]

Option	Code	Regrets (£m)				Worst regret	Rank
		SP	ST	CT	LW		
05	DDNC1, DINC, DCUP2	195.8	212.9	189.9	106.3	212.9	**1**
06	DDNC1, DINC, DCUP1	195.8	212.9	190.0	172.3	212.9	**2**
07	DDNC1, CKNC	600.0	617.2	594.8	524.4	617.2	**4**
08	DDNC2, CKNC	600.0	617.2	594.2	511.0	617.2	**3**
09	DDNC1, DINC, CKNC	628.0	645.2	622.2	549.1	645.2	**5**

2.29. In addition to the CBA, various sensitivity analyses were carried out by the ESO. This is summarised in table 5.

[29] As described in paragraph 2.12 the ESO's SP, ST, CT, and LW scenarios align to SHET's S1, S2, S3, and S4 scenarios respectively

[30] LWR is a decision-making tool that makes recommendations based on which options/strategy produce the least 'regret' across all analysed scenarios. We are aware of some limitations of the LWR analysis in practice. LWR results are determined by the balance between the least and most onerous case for development which could lead to spurious investment recommendations if scenarios are not 'credible'. To minimise this risk, the ESO's NOA results are reviewed by the NOA committee who use the latest market intelligence to test the plausibility of the results, and sensitivity analysis is undertaken to look at how robust recommendations are to scenario changes

[31] 'Regrets' and 'Worst regret' are colour coded for reading ease: green is a favourable result, red is not

Table 5: CBA sensitivity analysis summary

Sensitivity	Result
Generation background: Stress test of increasing the highest generation scenario by 628MW, based on possible future further generation.	Preferred (LWR) option remains 05.
Capital expenditure: Variance of +/- 20%.	Preferred (LWR) option remains 05.
Constraint costs: Variance of +/- 40%, in terms of the cost associated with bidding off and offering on generation rather than constraint volume change.	Preferred (LWR) option remains 05.

Our views on the Argyll project

Accommodating additional renewable generation and Security of supply

(i) Accommodate additional renewable generation

2.30. We agree that additional capacity is likely to be needed to allow new generation to connect to the Argyll and Kintyre network.

(ii) Security of supply

a. Demand

2.31. We agree that the existing network has the capacity to meet SHET's future predicted peak demand growth.

b. Generation

2.32. From a generator access perspective, a derogation is currently in place due to the insufficient rating of the existing network. We agree with SHET that to enable the connection of additional renewable generation to Argyll, the network rating will need to be increased. This will also remove the need for the current derogation, as per paragraph 2.16, to remain in place.

Technical options considered

2.33. We deem that an appropriate range of options were considered to address the drivers, as per paragraph 2.5, for the Argyll project. Throughout the optioneering process several designs were considered and rejected. We reviewed the technical solutions presented and found them to be appropriate. We recognise that the current costs are indicative but consider these costs to provide an appropriate basis under which to robustly compare the options at this stage. Overall, we are comfortable with the options that have been taken forward for assessment in terms of their technical solution.

2.34. We agree with SHET that the location of generation on Argyll is important in managing the power flows and in maximising the power that can be exported from the network. SHET undertook probabilistic power system analysis studies to assess whether compliance against the pre-fault criteria of the SQSS could be achieved.

2.35. Options with a reduced technical scope[32] have all been discounted by SHET because in each of the studied scenarios included in the CBA, the solutions deliver a network that is non-complaint against the SQSS requirements.

2.36. Options 05 and 06 meet the minimum enabling works required for all contracted generation and are compliant against the pre-fault criteria of the SQSS.

2.37. Options 07 to 09 exceed the minimum enabling works required for all contracted generation and are compliant against the pre-fault criteria of the SQSS; however, the costs associated with these options are significantly higher at c.116% greater than options 05 and 06.

2.38. Overall, we agree with SHET's approach to discount options with a reduced technical scope.

CBA methodology

2.39. Our view is that the CBA supports the need for investment and SHET's preferred reinforcement option for the Argyll project.

[32] Options '01 to 04' and '10 to 14' as per appendix 2

2.40. We agree with the proactive approach SHET took to capture the transmission constraints given the boundary location of the Argyll and Kintyre network, and with SHET feeding this information into the ESO's CBA model.

2.41. Overall, we are comfortable with the methodology used for the CBA.

Overall view

2.42. One of the challenges when making investment decisions is the level of uncertainty over the generation and demand driving the need for any new transmission assets. This translates into risk that consumers will pay for assets that are significantly undersized (and therefore need to be replaced or more assets built) or significantly oversized (and therefore not fully utilised). Given this, we need to be comfortable with the assumptions that underpin LOTI re-openers.

2.43. We agree with SHET's power system studies and the conclusions drawn from these to discount nine of SHET's fourteen reinforcement options, leaving five remaining shortlisted options 05 to 09. The Argyll and Kintyre network is currently operated at 132kV. Options 05 and 06 will enable the Argyll and Kintyre network between Creag Dhubh and Crossaig to be operated at the higher voltage of 275kV due to the introduction of four additional GSP[33]. The elements contained within these GSP enabling works include new transformers rated at 275kV which will enable the circuit to operate at the higher voltage, thereby increasing the amount of renewable power export from the Argyll region. Options 05 and 06 also greatly improve transmission access from a generator's perspective due to the increased number of GSPs (i.e. connection access points). By contrast, options 07 to 09 do not include the GSP enabling works. This results in the circuit being constrained and continuing to be operated at 132kV when the entire circuit has the potential to operate at 275kV due to SHET's previous investment[34].

2.44. We support options 05 and 06 over options 07 to 09 given that they would allow the circuit to be operated at 275kV and given the disparity in costs, as per table 3. Although options 05 and 06 do perform identically in the CBA and are the same design, we do acknowledge that option 05 is the preferred solution given the benefits of its system interconnectivity and operational flexibility. We therefore consider that SHET's preferred

[33] GSP for options 05 and 06 refer to DCUP2 and DCUP1 respectively as outlined in table 3
[34] See paragraph 2.17

option 05 is both reasonable and likely to provide the optimal solution given the project's drivers and the background generation assumptions that underpin the CBA.

2.45. We expect SHET to update its generation and demand forecast at the FNC stage based on the latest developments.

3. Delivery model considerations

Section summary

This chapter summarises our assessment of whether the Argyll project meets the criteria for competition and explains our minded-to view on whether to apply a late competition model to Argyll.

Questions

Question 4: Do you agree with our minded-to view to retain the Argyll project within the LOTI arrangements under RIIO-2?

Background

3.1. Competition in the design and delivery of energy networks is a central aspect of our RIIO-2 price controls. Competition has a key role to play in driving innovative solutions and efficient delivery that can help meet the decarbonisation targets at the lowest cost to consumers. We set out in our Final Determinations[35] for RIIO-2 that during the RIIO-2 period all projects that meet the criteria for competition and are brought forward under an uncertainty mechanism[36] will be considered for potential delivery through a late competition model.

Does the Argyll project meet the criteria for competition?

3.2. Our criteria for a project to qualify for late model competition[37] are as follows:

i. New
ii. Separable
iii. High value: projects of £100m or greater expected capital expenditure.

[35] RIIO-2 Final Determinations, Core Document (REVISED), chapter 9
[36] Large Onshore Transmission Investments (LOTI) Re-opener Guidance, pages 09-11
[37] Guidance on the criteria for competition

3.3. We consider that the Argyll project meets all the criteria above.

Delivery model considerations

3.4. Since we consider that the Argyll project meets the criteria for late model competition, we have considered whether it is in the interest of consumers for the Argyll project to be delivered through a late model of competition rather than via the prevailing LOTI mechanism under the RIIO-2 arrangements.

Relevant consideration of models

3.5. The late competition models that are available for consideration for the Argyll project are:

i. Competitively Appointed Transmission Owner (CATO) Model
ii. Special Purpose Vehicle (SPV) Model
iii. Competition Proxy Model (CPM)

3.6. Below we set out details of each of these models and our initial views on how applicable each might be for the Argyll project.

CATO

3.7. Under the CATO model, a competitive tender would be run for the financing, construction, and operation of the proposed assets that make up the Argyll project, with a transmission licence provided to the winning bidder setting out the outputs, obligations, and incentives associated with delivering the Argyll project.

3.8. The CATO model requires legislative changes to allow for new parties to be able to be awarded a transmission licence following a competitive tender. The government has recently introduced a Bill[38] to enable competitive tendering but it is currently uncertain when it will be passed into law. Given this uncertainty, and the required delivery dates set out by SHET as being between 2026 and 2027, we do not consider it feasible to apply the CATO model to the

[38] Energy Security Bill - GOV.UK

Argyll project in a manner that delivers benefits to consumers without impacting on the delivery dates of the project.

SPV

3.9. Under the SPV model, SHET would run a tender to appoint an SPV to finance, deliver, and operate a new, separable, and high value project on the licensee's behalf through a contract for a specified revenue period. The allowed revenue for delivering the Argyll project would be set over the period of its construction and a long-term operational period (currently expected to be 25 years). The SPV model was originally developed for consideration for projects where the CATO model had been discounted due to a clear expectation that underpinning legislation would not be in place in time to allow the delivery of specific projects.

3.10. Given the additional work needed to finalise the SPV model and that SHET's tender process has already commenced, we do not consider that the SPV model can be applied to this project without leading to delays. For this reason, we consider that the SPV model is not an appropriate model to utilise for this project.

CPM

3.11. The CPM involves setting a largely project specific set of regulatory arrangements to cover the construction period and a 25-year operational period for an asset (in contrast with setting arrangements for a portfolio of assets under a price control settlement). It is intended to replicate the efficient project finance structure that tends to be used in competitive tender bids for the delivery and operation of infrastructure projects.

3.12. Importantly, SHET would retain the delivery of the Argyll project under CPM. This means that there is not the requirement to allow for the running of a full tender for delivery of the Argyll project in the same way as the CATO or SPV models, and the CPM assessment stages follow the same process as the LOTI mechanism.

3.13. In the RIIO-2 Final Determinations[39], we explained that due to recent market conditions and our allowed financing arrangements for RIIO-2, we may not have sufficient

[39] RIIO-2 Final Determinations, Core Document (REVISED), Chapter 9, section 9.8

confidence that the application of the CPM to projects that need to start construction at the start of the RIIO-2 period would deliver benefits to consumers. This position was informed by our decision on the Hinkley-Seabank project in May 2020[40].

3.14. Since our decision on Hinkley-Seabank and RIIO-2 Final Determinations in 2020, we have seen some variability in the cost of debt benchmarks used to set the financing arrangements under CPM. There is some scope for potential market movements between now and the point at which the financing arrangements would be finalised for CPM, in parallel to the final setting of the cost allowances for the project.

3.15. At this stage, we have not seen movements that give us confidence that CPM is likely to deliver a benefit to consumers relative to the financing arrangements under the counterfactual LOTI arrangements under RIIO.

Our minded-to view

3.16. We do not consider implementing either the CATO or SPV model for the Argyll project is possible without causing delay to its delivery, and we do not have sufficient confidence in the benefits to consumers that could be delivered by applying the CPM. In light of this, we are minded-to retain the Argyll project within the LOTI mechanism as part of the RIIO-2 framework.

[40] Hinkley - Seabank: Updated decision on delivery model

4. Large project delivery

Section summary

This chapter sets out our large project delivery options for the Argyll project and our proposed approach.

Background

4.1. In our RIIO-2 Final Determinations[41], we set out our approach to late delivery of large projects (>£100m). The aim of this approach is to ensure a network company does not benefit financially from a delay to delivery of such projects by using one of the following options:

i. If a project is delivered late, we will re-profile the allowances to reflect actual expenditure to avoid the network company benefitting from delayed expenditure; or
ii. Milestone-Based Approach - we will set project allowances based on the delivery of specific, pre-agreed, milestones. The allowances would only be provided following confirmation that a milestone had been delivered.

4.2. We aim to protect consumers from any delay in delivery. To this end, we may consider setting a Project Delivery Charge (PDC) for each day a project is delivered late.

4.3. We will take into account a range of factors when considering a PDC, including:

i. Estimates of potential consumer detriment;
ii. Industry benchmarks for delay clauses on similar projects; and
iii. The delay clause(s) that the network company negotiates with its contractor(s) for that project, which would be shared with Ofgem through the PA submission.

Our view

[41] RIIO-2 Final Determinations, ET Annex (REVISED), page 32 onwards

4.4. We will consider which mechanism is best suited for this project as well as the level of any PDC at the FNC stage for the Argyll project. We welcome early engagement with SHET on the matter. In setting the level of the PDC we will be looking to understand what the impact of any delay would be in terms of costs to consumers. Final decision on the mechanism and the PDC level will be consulted on as part of the PA consultation.

5. Next steps

Section summary

This chapter sets out the next steps in our assessment of the Argyll project under the LOTI mechanism, particularly the specific areas of focus for the FNC.

5.1. Our consultation on the positions set out within this document will close on 21st October 2022. Following the consultation, we expect to publish our decision on the INC in November 2022.

5.2. The next stage of our assessment will be the FNC which SHET aims to submit during Q1 2023. In line with SHET's electricity transmission licence[42] and under the LOTI Guidance[43], approval of the FNC may only be sought after SHET has secured all material planning consents unless the Authority otherwise directs. We note SHET's requested FNC submission date is ahead of securing planning consent. We propose to continue to work with SHET to agree on an appropriate submission date and to consider the potential consumer benefit to accepting an early FNC submission date.

5.3. As part of the FNC submission we expect to receive further evidence from SHET demonstrating the continued progression towards renewable generation certainty and an updated CBA, if required, to reflect up-to-date information, including any material changes in costs. Our FNC assessment is expected to focus on ensuring a robust delivery plan is in place to deliver the Argyll project on time. We will also seek to ensure that any material changes in technical scope, design, or cost relative to the INC are fully understood and justified. As part of the FNC stage we will also carry out an assessment of the cost assumptions associated with SHET's proposed option.

[42] Special Condition 3.13.14 - Large onshore transmission investment Re-opener, Part F: Final Needs Case – see Decision on the proposed modifications to the RIIO-2 Transmission - 'Licence Conditions 03022' - SHETP Special Conditions_Clean_030222.pdf
[43] LOTI Re-opener Guidance

5.4. As set out in chapter 4, we will also consider during the FNC stage which LPD mechanism is best suited for the Argyll project and how it will be applied.

Appendices

Appendix 1: SAT criteria

Criterion	Meaning	Weighting (%)
Network Contractual Status	Each project will need to go through a formal connection application process in order to connect to either the distribution or transmission networks.	**12.5**
Project Planning Status	Each project will need to go through the formal planning process. As a minimum, smaller projects can take months to prepare and submit a planning application followed by months for the Council to make a decision. Larger projects typically take years.	**32.5**
Ownership / Financial Considerations	The speed at which a project can be brought forward. Its ultimate viability can be dictated partly by the nature of the owner.	**10**
Distribution or Transmission	Currently, Use of System charges favour development of Distributed Generation over transmission-connected projects, although Ofgem has advised that it intends to harmonise charging before 2030.	**10**
Economies of scale	Economies of scale can have an important bearing on project viability. Benefits can be gained by spreading fixed CAPEX costs over a larger MW total installed capacity. Also, larger turbines may have lower costs per MW and/or have higher capacity factors than smaller turbines.	**10**
Distance to Connection	Connection costs of connecting to the network depending on distance between the development site and the nearest part of the network with sufficient capacity to accept the generation.	**15**
Location favourability	Favourability of generation location when the Council considers renewal energy development applications.	**10**
TOTAL		**100**

Appendix 2: Fourteen reinforcement options

Option	Code[44]	Description	EISD	Cost[45]
01	Base	Base Network (counterfactual)	-	-
02	DDNC2	Creag Dhubh substation and new 275kV line	2026	**£119.4m** [£118.3m]
03	DDNC1 KHNC	Creag Dhubh substation and new 275kV line (N/O)[46] 3rd subsea cable at Crossaig	2026 2028	**£264.2m** [£251.4m]
04	DDNC2 KHNC	Creag Dhubh substation and new 275kV line 3rd subsea cable at Crossaig	2026 2028	**£264.2m** [£251.4m]
05	DDNC1 DINC DCUP2	Creag Dhubh substation and new 275kV line (N/O) New 275kV line Creag Dhubh – Inveraray Uprate Creag Dhubh - Crossaig Line to 275kV (I)[47]	2026 2027 2027	**£357.6m** [£351.8m]
06	DDNC1 DINC DCUP1	Creag Dhubh substation and new 275kV line (N/O) New 275kV line Creag Dhubh – Inveraray Uprate Creag Dhubh - Crossaig Line to 275kV (R)[48]	2026 2027 2027	**£357.6m** [£351.8m]
07	DDNC1 CKNC	Creag Dhubh substation and new 275kV line (N/O) Two subsea cables Carradale - Kilmarnock South	2026 2028	**£808.3m** [£759.2m]
08	DDNC2 CKNC	Creag Dhubh substation and new 275kV line Two subsea cables Carradale - Kilmarnock South	2026 2028	**£808.3m** [£759.2m]
09	DDNC1 DINC CKNC	Creag Dhubh substation and new 275kV line (N/O) New 275kV line Creag Dhubh – Inveraray Two subsea cables Carradale - Kilmarnock South	2026 2027 2028	**£841.9m** [£792.3m]
10	DDNC1 DINC KHNC	Creag Dhubh substation and new 275kV line (N/O) New 275kV line Creag Dhubh – Inveraray 3rd subsea cable at Crossaig	2026 2027 2028	**£297.8m** [£284.5m]
11	CKNC	Two subsea cables Carradale - Kilmarnock South	2028	**£688.9m** [£640.9m]
12	KHNC	3rd subsea cable (Crossaig – Hunterston)	2028	**£144.8m** [£133.1m]
13	DDNC1	Creag Dhubh substation and new 275kV line (N/O)	2026	**£119.4m** [£118.3m]
14	DDNC2 CPFC	Creag Dhubh substation and new 275kV line Power flow control devices in line with Crossaig SGT	2026 2026	**£151.3m** [£149.9m]

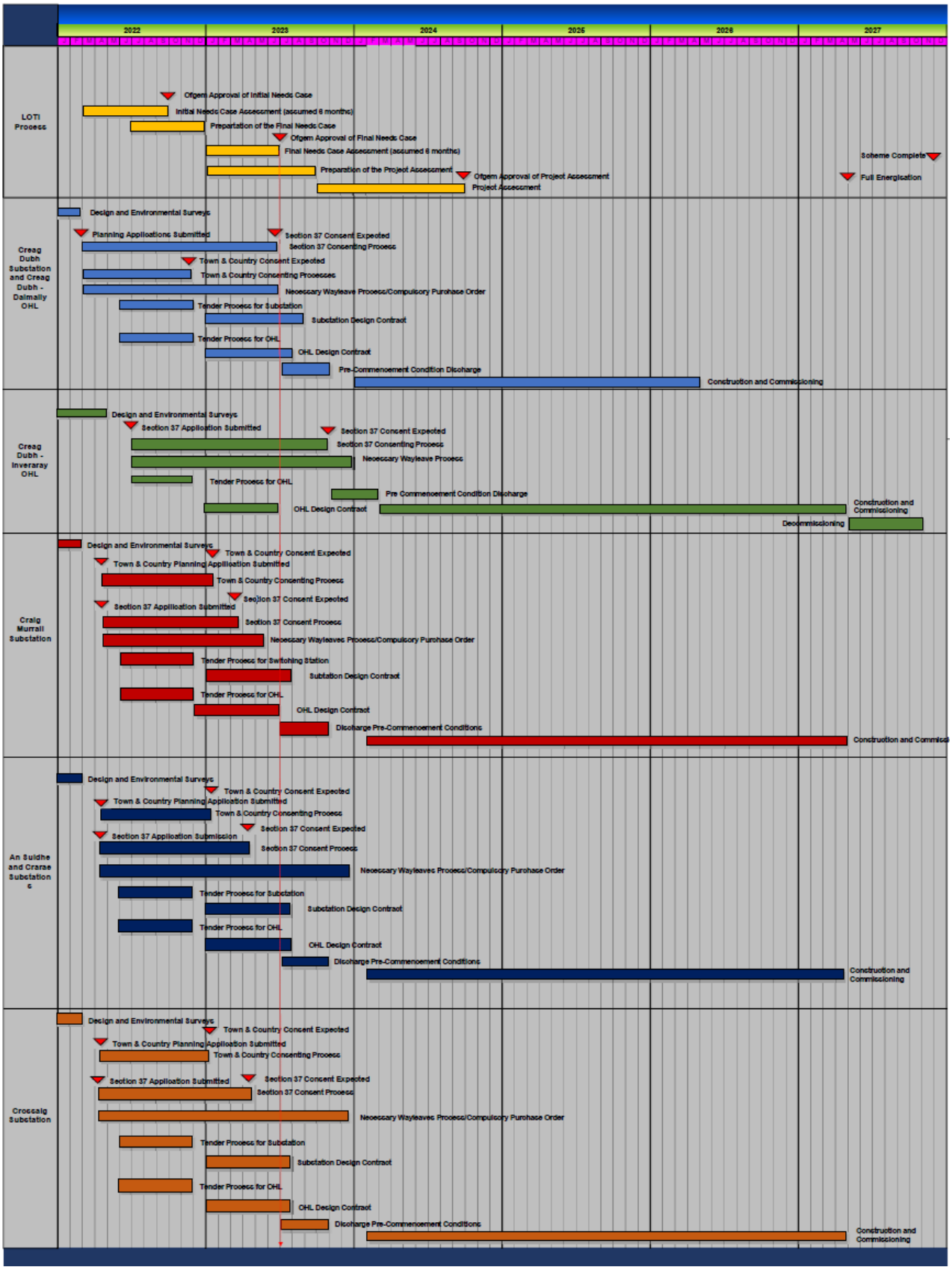
[44] Represents the work required (i.e. components) that make up each option's solution. A detailed description of what work these individual components are made up of can be found in appendix 3
[45] Cost made up of capital expenditure (CAPEX) and operating expenditure (OPEX). The CAPEX portion of the cost is contained within square brackets (i.e. [£XXX.Xm])
[46] Normally open circuit
[47] Interconnected network
[48] Radial network

Appendix 3: Detailed list of option components

Code	Description	Detailed description
CKNC	Twin Subsea Cable (Carradale – Kilmarnock South)	• Two 220kV 240 Mega Volt Amperes (MVA) subsea cables from Carradale substation to Kilmarnock South substation (SPT). • New 132kV Carradale substation, tying in the existing Carradale GSP and the 132kV OHL circuits to Crossaig. • Ownership boundary will be the landing point on SPT network. Cable into Kilmarnock South substation and connection to 275kV busbar will be SPT works.
CPFC	Crossaig Power Flow Control	• Installation of Power flow control devices at Crossaig substation, onto the 132kV side of the 220/132kV SGTs that connect to the 220kV subsea cables to Hunterston.
KHNC	3rd Subsea Cable (Crossaig - Hunterston)	• 3rd 220kV 240 MVA subsea cable from Crossaig substation to Hunterston East substation (SPT). • New 132kV bay and SGT at Crossaig substation. • Ownership boundary will be the landing point on SPT network. Connection onto Hunterston 400kV busbar will be SPT works.
DCUP1	275kV Reinforcement (Radialised Network)	• Operate the Creag Dhubh - Crossaig double circuit at 275kV. • Construct new 275kV substations at Crarae and An Suidhe to maintain transmission connected generator connections. • Construct a new 275kV substation at Craig Murrail, and install new 275/33kV GTs to maintain connection to Port Ann GSP. • Construct a new 132kV Crossaig double busbar and connect OHL from Craig Murrail and OHL from Carradale onto new busbar. Install a normally open point between the two Crossaig busbars, and radialise the subsea cables from Hunterston.
DCUP2	275kV Reinforcement (Interconnected Network)	• Operate the Creag Dhubh - Crossaig double circuit at 275kV. • Construct new 275kV substations at Crarae and An Suidhe to maintain transmission connected generator connections. • Construct a new 275kV substation at Craig Murrail, and install new 275/33kV GTs to maintain connection to Port Ann GSP. • Construct a new 132kV Crossaig double busbar and connect OHL from Craig Murrail onto new busbar. Install

		two cable circuits between the two Crossaig busbars to maintain connectivity with the existing Crossaig double busbar.
DDNC1	Creag Dhubh Substation (Normally Open)	• New 275/132kV substation at Creag Dhubh in North Argyll. Turn in the existing Inveraray - Taynuilt 132kV OHL. • Open the circuit between Creag Dhubh and Inveraray. • A new 275kV double circuit OHL from Creag Dhubh substation to Dalmally - Windyhill circuit (SPT), looped into one side. • Ownership boundary will be prior to circuit loop in. • Tower works and reprofile of Dalmally - Windyhill 275kV OHL will be SPT works.
DDNC2	Creag Dhubh Substation	• New 275/132kV substation at Creag Dhubh in North Argyll. Turn in the existing Inveraray - Taynuilt 132kV OHL. • 132kV circuit between Creag Dhubh and Inveraray operated closed. • A new 275kV double circuit OHL from Creag Dhubh substation to Dalmally - Windyhill circuit (SPT), looped into one side. • Ownership boundary will be prior to circuit loop in. • Tower works and reprofile of Dalmally - Windyhill 275kV OHL will be SPT works.
DINC	OHL to Inveraray	• A new 275kV double circuit OHL from Creag Dhubh to Inveraray - Crossaig OHL (bypassing Inveraray Substation). Circuit will be operated at 132kV initially. Existing OHL between Creag Dhubh substation and Inveraray switching station to be removed. Inveraray switching station now radialised from Sloy.

Appendix 4: Programme timeline



Appendix 5: Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk.

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

3. With whom we will be sharing your personal data

N/A.

4. For how long we will keep your personal data, or criteria used to determine the retention period

Your personal data will be held for six months after the Skye project is closed.

5. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data

- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content, and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/, or telephone 0303 123 1113.

6. Your personal data will not be sent overseas.

7. Your personal data will not be used for any automated decision making.

8. Your personal data will be stored in a secure government IT system.

9. More information

For more information on how Ofgem processes your data, click on the link to our "Ofgem privacy promise".