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## **ESO Response to Isle of Skye – Consultation on the project's Final Needs Case**

Dear James,

Thank you for the opportunity to respond to your consultation on the Isle of Skye project's Final Needs Case.

### **Who we are**

As the Electricity System Operator (ESO) for Great Britain, we are at the heart of the energy system, balancing electricity supply and demand second by second.

Our mission, as the UK moves towards its 2050 net zero target, is to drive the transformation to a fully decarbonised electricity system by 2035, one which is reliable, affordable, and fair for all. We play a central role in driving Great Britain's path to net zero and use our unique perspective and independent position to facilitate market-based solutions to the challenges posed by the trilemma.

Our transformation to a Future System Operator (FSO) is set to build on the ESO's position at the heart of the energy industry, acting as an enabler for greater industry collaboration and alignment. This will unlock value for current and future consumers through more effective strategic planning, management, and coordination across the whole energy system.

### **Our key messages**

We endorse investment in the national electricity transmission system to support increasing volumes of renewables that in turn support net zero ambitions. This Isle of Skye reinforcement supports this ambition as well as addressing asset health condition needs and improving local security with the new second circuit.

We have responded to your questions in the attached appendix 1.

We look forward to engaging with you further. Should you require further information on any of the points raised in our response please contact Griffin John, Technical Economics Assessment Manager (griffin.john@nationalgrideso.com). Our response is not confidential.

Yours sincerely

Dr Paul Wakeley

Head of Strategic Network Development

## Appendix 1 – Consultation Question Responses

### Q1: Do you agree with the need for investment on the transmission network?

We agree with the need for investment in the transmission network. As well as asset health condition and local security given the new second circuit, it is driven by increasing volumes of renewables generation in the West Highland and Isle of Skye area as you note in in the consultation's paragraph 2.20.

### Q2: Do you agree with our conclusions on the technical options considered?

We agree with the conclusions on the technical options considered. The TO considered several options representing combinations of projects and reviewed them against changing background circumstances notably potential connection of Coire Glas pumped storage (cited in para 2.9) as well as differing generation backgrounds.

### Q3: Do you agree with our conclusions on the CBA?

We agree with the conclusions on the CBA. ESO economic analysis conducted in 2022 showed that option 4a had the best results hence is the preferred option.

### Q4: Do you agree with our minded-to proposal to retain the Skye project within the LOTI arrangements under RII0-2?

The ESO supports competition in maximising end-consumer value on the national electricity transmission system (NETS) but accepts that in certain circumstances, the benefits of competition are more than offset by the costs of the extra time needed for the competition processes. We note the October 2026 target completion date.

### Q5: Do you agree with our proposed approach to Large Project Delivery (LPD) for the Skye project?

We support the delivery of the project with the appropriate incentives for the TO.