

Atrium Court

50 Waterloo Street

Glasgow

G2 6HQ

Telephone 0300 013 3385



OFGEM

[RIIO3@ofgem.gov.uk](mailto:RIIO3@ofgem.gov.uk)

17<sup>th</sup> December 2024

To whom it may concern,

**Re: Response to Consultation – Electricity Transmission Advanced Procurement Mechanism.**

Scottish Enterprise is Scotland's national economic development agency, dedicated to transforming the Scottish economy. We have the reach and track record to deliver transformational economic change, investing approximately £300 million each year at national, international and regional levels.

In February 2024, Scottish Enterprise launched our new Mission-driven Strategy. Three missions have been developed to facilitate the prioritisation of our work, including a mission to create an internationally competitive energy transition industry in Scotland. Both the UK and Scottish Government have set ambitious targets to become Net Zero by 2050 (2045 in Scotland). To do this, Scotland needs the UK grid to expand and update at a speed not seen previously.

Scottish Enterprise acknowledges that any delay in transmission build-out would affect renewable power rollouts and achieving those stated clean power targets. We support the Advanced Procurement Mechanism (APM) in principle, as it allows Transmission Owners to engage with the supply chain earlier, improving order visibility and timing and overall confidence. This anticipated certainty would benefit, in our view, both the transmission and overlapping renewable supply chains, such as Offshore Wind.

As Scotland's Economic Development Agency, we look to back initiatives that develop local supply chains and increase Scottish based content. Achieving local supply chain orders is critical if the UK is to fully benefit from these large investments in power infrastructure. We would therefore suggest strengthening the language around investments in UK located operations with stricter requirements on local content.

While not a particular theme in this consultation, we would like to comment on the regulation around the supply chain framework. Current regulatory regimes do not incentivise new entrants to the supply chain, and as part of this mechanism, Scottish Enterprise would encourage the development of further mechanisms which encourages a supply chain that is open to new entrants.

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In summary, Scottish Enterprise believes the APM will help supply chain and electricity network development and stresses the need for a fair and transparent procurement process to ensure competition, produce appropriate market prices, seek to increase local content and the inclusion of new entrants.

Yours sincerely,

A handwritten signature in black ink, appearing to read "S. Sosna", on a light yellow rectangular background.

Suzanne Sosna

**Director of Energy Transition**

**Scottish Enterprise**