

Q1. Do you agree with our assessment of the needs case for the Skye-Uist project under Hebrides and Orkney Re-opener submission?

Yes, there is a clear and pressing need for replacement of the 30 year old + subsea cable between Ardmore (Skye) and Lochcarnan (Uist). The sister subsea cable, between Ardmore (Skye) and Stockinish (Harris) failed in October 2020 with catastrophic consequences. On-island diesel generation had to be activated in Lewis on a 24/7 basis, consuming 90,000 litres of fuel oil per day for nine months with unthinkable climate impacts. The existing Ardmore to Lochcarnan subsea cable is of the same design and vintage and if – or more likely, when – this cable fails, there will be the same catastrophic consequences for energy supply in Uist and Barra.

The Comhairle's principal concern here is security of energy supply to its communities and any further delay in replacing the Skye to Uist link, and strengthening resilience by the addition of a new Harris to Uist link, is totally unacceptable. The difference in cost between an option which could accelerate delivery of these solutions and an option which will lead to further delay is negligible in view of the level of budget authorisation available to the regulator for the UK system. Island residents should not be rendered vulnerable to further network disruption and the climate impacts of on-island diesel generation (something not fully taken into account in OFGEM's CBA) for the sake of a few millions of pounds.

Q2. Do you agree with our assessment of the optimal solution for the Skye-Uist project under the Hebrides and Orkney Re-opener submission?

No. The Optimisation Loop proposed by SSEN (Option 30) appears to be the most quickly deliverable option and that should be the only consideration while the communities of Uist remain vulnerable to network disruption. And the timescale for delivery of resilience through a new link between Harris and Uist is unacceptably long.

Q3. Do you agree with our assessment of the efficient option to mitigate consenting risk related to the onshore section of the proposed project?

It is certain that a new Overhead Line on Skye will face vigorous opposition, resulting in long delays in consenting and possible escalation to Judicial Review which, itself, poses significant risk to a project assumed to be consented. "Energisation of the OHL section within two years" is a big and unproven assumption by OFGEM. SSEN know their territory and communities and should be left to plan network improvements which will move smoothly through the consenting process.

The Optimisation Loop represents a way of quickly reinforcing the dangerously vulnerable Skye to Uist link while enduring OHL solutions are considered. The cost of this additional Optimisation Loop is infinitesimal in the scheme of the budget authorisation available to OFGEM and it is unacceptable that such small sums of money are being allowed to delay the strengthening of lifeline network links to island communities.

Q4. Do you agree with our assessment of the efficient costs of the Skye-Uist project under the Hebrides and Orkney Re-opener submission?

No. Cost should not be the only factor in determining this case. Absolute priority should be given to security of energy supply for the Uist and Barra community and resignation to the probable failure of the existing cable, compensated for by on-island diesel generation, should not be an acceptable position given the climate impacts referenced above. The option which delivers energy security to Uist and Barra most quickly should be the only option under consideration.

Q5. Do you agree with our proposal to not introduce an additional mechanism to adjust allowances to cover costs under the Payment Adjustment Mechanism?

No. A re-opener should be permitted to account for rapidly rising material, labour and mobilisation costs in the remote Highlands and Islands of Scotland. EGL2 is being delivered within relatively stable cost frameworks and a highly competitive pricing environment and a re-opener was allowed there. Here in the Outer Hebrides, we are seeing house construction costs double over the last four years due to escalating material costs, constraints in labour supply and the added cost of freight to the Scottish islands. Exposure to price volatility in the Highlands and Islands is becoming extreme and, again, in requesting a Payment Adjustment Mechanism, SSEN is simply reflecting the fact that it knows its territory, is alive to its obligations to vulnerable local communities and is operating in an area of extreme price volatility, probably unique in the UK.