

South Uist Renewable Energy Ltd Response to Ofgem Consultation: RIIO-ED2, Hebrides & Orkney Re-opener Draft Determinations

Introduction

South Uist Renewable Energy Ltd (SURE) is a wholly owned subsidiary of Sealladh na Beinne Moire (SnBM), Scotland's largest community-owned landlord. SURE operates three 2.3MW turbines and is entirely reliant on the sub-sea cable from Loch Carnan (South Uist) to Ardmor (Skye) to offload the electricity it produces.

SURE provides SnBM with an annual dividend from its profits, which is used to support the activities of the community landlord. These activities include the economic development of the estate area (comprising the Isle of South Uist, the Isle of Eriskay, and a substantial proportion of the Isle of Benbecula), provision of affordable housing, utilization of estate assets to support the wider community, effective land management, operation of various tourism-related activities that contribute significantly to the wider economy, and the operation of the busy harbor at Gasaigh (Lochboisdale).

The Importance of Reliable Network Connection

The economy of the Hebrides is fragile and heavily dependent on the reliable operation of SURE's turbines. The sub-sea cable is the lifeline that ensures the electricity generated by SURE reaches the mainland. Any disruption to this connection could have severe consequences for the local economy, affecting everything from housing and tourism to land management and community services.

Given the critical role that SURE plays in supporting the local economy, it is of utmost importance that the operations of SURE continue without interruption. The current cable, by Ofgem's own assessment, is 'at risk of failure due to its poor asset health'. This poses a significant threat not only to SURE's operations but also to the economic stability of the islands.

The Need for a New Cable

A new cable is essential to ensure the continued reliability of the network connection. While we ideally wish to see a larger, future-proof cable that would offer the possibility of increased renewable production by SURE, our priority in the short term is the replacement of the current cable. This replacement is crucial to mitigate the risk of failure and to support the fragile economy of these islands.

Response to Ofgem's Consultation Questions

ED.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 case for this project to go ahead as quickly as possible. The reliable connection to the network is vital for the economic stability of the Hebrides, and any delay could have detrimental effects on the local economy.

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

The optimal solution, in our opinion, would be the replacement of the existing cable with a larger one to allow SURE to export more electricity. However, from the list of viable options in the consultation document, we are minded to agree with Ofgem's proposal of Option 19. This option balances the need for reliability with the practical considerations of implementation.

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

We believe speed is of the essence to address the grave risk of cable failure. Therefore, we agree with Ofgem's assessment that a new underground cable instead of overhead power lines would be the optimal way to achieve this. An underground cable would be less susceptible to environmental factors and would ensure a more reliable connection.

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

Yes. The costs outlined in the submission are justified given the critical need for a reliable network connection to support the fragile economy of the Hebrides. Investing in a new cable is an investment in the economic future of these islands.

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

Yes. We agree with the proposal as it stands. The focus should be on ensuring the timely and efficient replacement of the cable to prevent any disruption to the network connection.

Conclusion

In conclusion, the reliable connection to the network is of paramount importance to support the fragile economy of the Hebrides. The replacement of the current sub-sea cable is essential to ensure the continued operation of SURE's turbines and the economic stability of the islands. We urge Ofgem to prioritize this project and to consider the long-term benefits of a larger, future-proof cable that would allow for increased renewable energy production. The economic well-being of the Hebrides depends on the swift and efficient implementation of this project.