

Ofgem
Commonwealth House
32 Albion Street
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RIIO-3 Draft Determinations: SHET proposals on marine biodiversity

We welcome this opportunity to respond to Ofgem's draft determination on the Scottish Hydro Electric Transmission (SHET) business plan for the RIIO-3 period (2026-31).

SHET is a key tenant for Crown Estate Scotland and it has a very significant role in the delivery of low-carbon infrastructure across Northern Scotland. During the RIIO-3 period it will be working to enable many gigawatts of new renewable capacity to connect to the transmission network and power homes right across Great Britain.

We would like to provide strong support in respect of SHET's marine biodiversity proposals as set out in its proposed Environmental Action Plan. These proposals represent a significant package of activity that aligns with our commitment to enhance nature across the Scottish Crown Estate (which includes around half of Scotland's foreshore and rights to all seabed out to 12nm). Our next Corporate Plan also covers 2026-31, and Enhancing Nature is set out as a key Mission to drive our engagement with tenants and stakeholders across the Estate.

SHET's proposals rightly reflect the growing policy demand for bolder action on biodiversity in Scotland, as set out in the Scottish Biodiversity Strategy and the current provisions proposed in the Natural Environment (Scotland) Bill, as well as policies outlined in National Planning Framework 4 and expected in the forthcoming National Marine Plan 2, as well as the current Scottish Government consultation on a Marine and Coastal Restoration Plan. The proposals are also likely to have value in relation to the compensation measures required at scale for offshore wind deployment and associated grid infrastructure across the UK.

We consider SHET's proposals to be strategic and forward-looking, identifying important work needed on biodiversity metrics and supporting skills as well as an ambitious scaling up

of seagrass and oyster restoration, building on the experience of smaller projects to date such as those supported through the Scottish Marine Environmental Enhancement Fund (SMEEF).

Given the multiple socio-economic benefits likely to flow both directly (ecological) and indirectly (enabling low-carbon infrastructure build) from these proposals we consider that there is likely to be a strong consumer value justification.

We ask that you reconsider the rejection of these proposals in the draft determination (SHETQ2) and we look forward to working in partnership with SHET and other stakeholders to deliver a healthier marine environment.

Yours sincerely



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