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The Westray Development Trust is a company limited by guarantee, non-profit distributing with charitable status. The Trust has an open constitution with equal opportunities so everyone in our community is invited to become a member. The Trust will be working with our partners to implement the strategies, projects and actions detailed in this Development Plan prepared by our community. The Development Plan has defined the Vision of the future of the island:

“To develop the economic, social and cultural sustainability of our community by harnessing the quality of our resources, people and island environment.”

The Trust has been aware for some time the value of the natural resources within Westray. With this in mind we have formulated the following Energy Development Plan. The purpose of the plan is to develop over time the renewable energy resources within Westray for the benefit of the community. We also propose to determine just where the energy consumed in Westray goes, with a view to improving energy efficiency where practicable.

Combining the benefits of generating community renewable energy and reducing consumption through energy efficiency measures, we aim to improve the standard of living for our residents and the competitiveness of our businesses. The opportunities and benefits to Westray from renewable energy generation, energy efficiency and a do it yourself approach are potentially very significant.

Intellectual Power Rights

Q1. No Comment.

Innovation Funding Incentive Questions

Q2. From our understanding of the discussion paper the IFI is the funding mechanism to allow development and the RPZ is the boundary for demonstration to take place. The IFI is more for comment by the DNO. We feel that the DNO should be encouraged to invest in innovative ways to operate its network. Our Island is in a unique situation with regard to grid infrastructure in that we, along with the rest of the Orkney Islands are grid locked. Our maximum demand on the island is 800kW and the minimum is 300kW and we are fed from a 33kV transformer fed by a sub sea 33kV ring. Due to distributed generation elsewhere on the ring we are unable to connect any on our island without a more innovative approach to the operation of the network. We have a target of 100% renewable energy for our island replacing all forms of energy and a critical part of this vision is co-operation with service providers and DNOs. The RPZ and IFI may be the way to achieve this and we



support any mechanism which will encourage the DNO to develop a more innovative network operating regime.

Q3. Very surprised that the R&D investment of the DNOs are so low and disappointed that the market conditions to encourage investment do not exist. Again supportive, however in the beginning all DNOs would have to declare their existing R&D % spend. An improvement level would be a better approach than a 0.5% cap.

Q4. Our experience of funding mechanisms is that the more complex they are, the less successful. We would support funding as long as it clearly delivered a benefit to the consumer and feel each case coming forward should be judged on its merits and there should be no cap on funding if the benefits outweigh the investment.

Q5. As long as the management process didn't become too heavy an administrative burden. We have experience of other funding schemes where the administration swallows a great deal of the funding pot. Most of the benefits can be metered on the network so the management regime should not be too onerous.

Q6. IFI should not be capped and all projects, which deliver a higher value of benefits than the original investment, should be approved. A safety margin requiring a higher ratio of benefit to investment may be inserted to take into account the risk profile of the proposal.

Registered Power Zone (RPZ) Questions

Q7. Yes and in our experience Distributed Generation can only be connected if innovation and new solutions/technologies are employed. The greatest problem facing the islands from the connection of Distributed Generation is voltage rise, and we feel if permitted we could connect DG onto the Westray network and control it to prevent the problem of voltage rise on the network.

Q8. We feel very strongly that no MW capacity or project number restrictions should be introduced. These mechanisms by their nature penalise the more remote and smaller areas of the network, and most would argue these are the very areas where innovation should be encouraged to reduce losses. Our network for example at between 300-800kW would never be considered. It would be deemed too small by the DNO to merit one of the three available RPZs even if the relative benefits available on the Westray network made a greater impact than other proposals.

Q9. The three tier approach again makes the funding delivery more complicated and it would be too subjective to distinguish between the tiers proposed. A single funding mechanism should be offered and each proposal judged on its merits. This would ensure that the DNO applies only for the marginal funding required to get the project to go ahead. If a tiered structure was used then as long as the project satisfied the criteria the expectation of funding would be there, regardless of how many proposals came forward. This would be acceptable if there was an unlimited investment level available.

Q10. Care must be taken on basing financial rewards on success or failure. Many of the development and fixed costs may deliver benefit even if the overall project failed. Some mechanism whereby the applicant can have their development costs covered and their demonstration costs linked to success may be workable. The real danger is that many of the variables in innovation are neither in the control of the funder or the applicant, is it fair to penalise the applicant for something outwith their control?

Q11. No, again we are positively discriminating towards larger scale projects and not the inefficient areas of the network. An alternative would be a measure reflecting % improvement against a theoretical maximum for the boundary considered. This doesn't discriminate on the basis of project scale.

Q12. Ten years would be a fair period to expect a commercial return on innovation.



Q13. Distributed Generation should only attract a premium where it is appropriately sized to benefit the local network and not for exporting outwith the boundary of that network. Where this is achieved a premium equal to the embedded benefits would not be unreasonable.

Q14. Boundaries should be defined geographically as these mean most to the parties involved and are clearly defined.

Q15. No comment

General Questions

Q16. No.

Q17. Yes at the minimum, on a pilot basis and in island areas such as Westray.