



Highlands and Islands Enterprise
Iomairt na Gaidhealtachd 's nan Eilean

David Hunt
Ofgem
9 Millbank
London
SW1P 3G3

3 September 2007

Dear Mr Hunt

**Consultation on Boundary Reinforcements
Response by Highlands and Islands Enterprise**

Highlands and Islands Enterprise (HIE) welcomes the opportunity to respond to this consultation on the Notice by the Gas and Electricity Markets Authority, of its intention to allow SP Transmission plc to proceed with works on the B5 Boundary (Ofgem 210/07).

As you may be aware, HIE is the Government's agency responsible for economic and community development across the northern half of Scotland. Along with its local partners (Shetland Islands Council, Orkney Islands Council, Comhairle Nan Eilean Siar, Highland Council, Moray Council and Argyll & Bute Council), HIE has taken a considerable interest in, and has responded to a number of consultations on, issues affecting development and access of grid infrastructure.

HIE fully supports this proposal. HIE believes the proposal is fully in keeping with the intention of the Transmission Infrastructure for Renewable Generation (TIRG) arrangement, and is a pragmatic solution to a problem not envisaged at the time TIRG was agreed.

The proposal will reduce costs to electricity consumers, and improve prospects for generation projects north of the boundary. HIE believes the benefits are likely to be greater than the estimates presented by SPTL. The proposal appears to have no negative consequences.

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Careers Scotland in the Highlands and Islands is part of the HIE network.



HIE encourages Ofgem and the transmission operators to investigate other areas in which plans for transmission reinforcement for generation in northern Scotland could be optimised in a similar way.

We hope that you find these comments helpful.

Yours sincerely



Elaine Hanton
Head of Renewables

On behalf of a Highlands & Islands partnership comprising:-

Highlands & Islands Enterprise

Shetland Islands Council

Orkney Islands Council

Comhairle Nan Eilean Siar

Highland Council

Moray Council

Argyll & Bute Council