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## **Connecting the Scottish Islands – Ofgem update Scottish Renewables' response**

Many thanks for the opportunity to respond to the Ofgem's open letter on connecting the islands.

Scottish Renewables is the trade body for the industry in Scotland and we support over 250 members involved in the renewable energy sector, many of which have a direct interest in electricity network issues. Scottish Renewables also benefits from the support of its Grid & Regulation Work Group, made up from the members of Scottish Renewables.

In our response to the open letter of 2007 we stated that there should only be a change to the regulatory status quo if it was thought beneficial to do so.

Broadly, we warmly welcome the 'minded to' decision to give SHETL the go ahead to invest in a link to the Western Isles articulated in this latest letter.

We note that the jurisdiction for a connection to the Shetland Islands requires clarification and is therefore subject to legal review. We hope that this will be resolved quickly so that generators on the Shetland Islands will have clarity about the regulatory regime they will be operating in.

We believe that the position adopted by Ofgem on Western Isles is sensible as it is the quickest way to get the Outer Hebrides connected given the progress already made by SHETL in designing and publicising its proposed link to the mainland.

We welcome the acknowledgment by Ofgem that the required governance process to deliver regulatory change would take a number of months and not serve the industry or the islands well given the overwhelming need to make quick progress. On that basis it is consistent with the conclusions in the Transmission Access Review and demonstrates a practical approach by Ofgem.

We welcome Ofgem's decision to review the progress of the Island's links and its preparedness to step in if costs of the links are set to increase beyond that which is acceptable to the consumer.



On a broader level, Scottish Renewables is not entirely sold on the competitive tendering regime for offshore and island transmission and believe that the efficacy of such an approach will be proved as project milestones are passed (we note the recent Ofgem consultation on this matter) for Round 2 and 3 offshore wind projects. Therefore, we are not convinced that a competitive tendering approach would help the kind of strategic planning needed to deliver 2020 renewable electricity targets nor deliver the most environmentally acceptable approach to delivery.

In addition, TNUoS will be the largest running cost of new island generators (all other things remaining equal) and so the lack of detail on expected use of system costs and the real concern that costs will be significant is having a 'chilling effect' on investment in the islands.

Considering this latest Ofgem open letter on the regulatory regime and outstanding TNUoS issues, there remains a strong case for urgent clarification by Ofgem and other key stakeholders on the way forward for renewable electricity generators on the islands.

We hope that you find the comments of Scottish Renewables useful and we look forward to quick progress being made on this important matter.

Yours sincerely

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**Chief Executive**  
**Scottish Renewables**