The Scottish
Government

Bogdan Kowalewicz,
Gas Transmission,
Office of Gas & Electricity Markets
9 Millbank,
LONDON SW1P 3GE

Your ref: 35/09

7 May 2009

Dear Bogdan,

PROPOSED DISPOSAL OF PART OF NTS FOR CARBON CAPTURE AND STORAGE

The Scottish Government welcomes this consultation from Ofgem on proposals for disposal of part of the natural gas transmission system in Scotland for carbon capture and storage. The Scottish Government is firmly committed to ensuring that Scotland has a secure, affordable energy supply for the future, which at the same time pursues a pathway of decarbonisation consistent with our climate change obligations.

Scotland already has a wealth of infrastructure at its disposal from our well-developed and managed natural gas and oil pipeline networks. It is entirely right and consistent with our security of supply and climate change aspirations that this infrastructure continue to be used to facilitate decarbonisation of our energy supplies. Re-use of the existing assets will considerably speed the process of CCS demonstration, which needs to prove its commercial viability urgently within the next decade. It should also give assurances about the stability and integrity of well-managed assets that have demonstrated their safety over considerable periods of use.

Given our role as the consenting authority for new power stations in Scotland, it would not be appropriate for Scottish Ministers to express views on the particular power station proposal attached to this suggested change of pipeline use. However, we are absolutely clear in our support of carbon capture and storage being demonstrated in Scotland and brought to commercial maturity as quickly as possible.

These proposals from National Grid make a significant step towards that, and – subject to appropriate regulatory and operational safeguards – should be enabled to proceed swiftly by Ofgem granting consent for disposal and change of use.

Yours sincerely,

Yours Sincerely

JIM MATHER

INVESTOR IN PEOPLE