

Viking Energy Ltd. Response to Project TransmiT Consultation

Anthony,

Ofgem's favoured outcome from Project TransmiT of Improved ICRP would bring with it significant benefits in reducing TNUoS charges for renewable generation projects located on the Scottish Mainland. In that respect it is courageous and it is to be welcomed and applauded.

However, the detail within the Improved ICRP proposals, as currently framed, would leave generation projects in the Scottish Islands significantly disadvantaged relative to the reductions in TNUoS charges for Mainland based generation projects. For reasons already articulated to you before, during and after the Project TransmiT stakeholder event held last month in Inverness, the outcome as it currently stands for the Scottish Islands is both galling and discouraging.

The Scottish Islands are home to some of Europe's best wind, wave and tidal energy resources. Harnessing and developing these resources could help to strategically underpin the economies of the Scottish Islands for decades to come. We are grateful for the many familiarisation visits which senior Ofgem Board Members and officials have made to the islands over the years. During those visits and discussions a common theme has been a need for the islands to provide concrete evidence and a clear case for change.

Project TransmiT has and will generate many responses. In particular, I would commend to you the consultation submissions from Highlands and Islands Enterprise, Scottish Renewables Forum and our colleagues from Orkney and the Western Isles. These, in my view, provide a rich seam of evidence and a clear case for minor adjustments to the detail of the Improved ICRP proposals to improve the TNUoS charging lot of the Scottish Islands. Demonstrably cost effective solutions (for electricity consumers), to the remaining Scottish Island charging issue, have been developed and evidenced within these papers. A constructive platform for dialogue towards a solution has been built and is now matched with strong cross party political consensus on island charging.

Shetland looks forward to gaining access to the benefits of Improved ICRP through Ofgem adopting the proposals for adjustment contained within HIE's submission.

Best Regards,
Aaron.