

Thank you for the opportunity to provide early feedback on these proposals.

SEPA welcomes Ofgem's continuing commitment to greater transparency and consistency in decision making. I read the proposals with great interest and would like to make the following observations:

* You propose adopting a robust and systematic approach by utilising and building upon existing information. This is a sound approach and by optioneering in this manner it should be possible to make the best decisions for the long term.

* SEPA would encourage you to look at full life cycle analysis (LCA) of the various options. Considering a full LCA will reveal the true environmental costs and benefits showing clearly how sustainable an option is and providing the most informative means of ranking potential options.

* We would recommend looking further than the 2050 horizon as many generating and infrastructure decisions made today will still be impacting post 2050. For example, if sufficient infrastructure is not in place soon to encompass the potential renewable generation capacity in Scotland, the need for a new gas or coal fired power station (albeit with CCS potential) will be unavoidable.

* An area that is perhaps weak in your current proposals is scarcity of natural resources. Much of the current technology relies on very finite rare earth elements and this limitation needs to be recognised. SEPA acknowledges the difficulties in assessing this accurately but would recommend that due cognisance is taken. You address Natural Assets but 'resilience' needs to be given a higher profile as it will become the dominant factor in the quest for long term environmental sustainability.

SEPA commends the proposed approach, wishes you every success in developing it and would be pleased to be involved in the process as your thoughts coalesce.

Please do not hesitate to contact me if we can assist in any way.

Kind regards.

David

David Sigsworth, Chairman

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