

Dear Ian

I am writing on behalf of the Argyll and Bute Renewable Alliance (ABRA) which is chaired by the Leader of Argyll and Bute Council, Cllr Roddy McCuish. The Alliance welcomes the opportunity to respond to the call for evidence from Ofgem relative to the Integrated Transmission Planning & Regulation Report (ITPR).

ABRA brings together key partners - including Argyll and Bute Council, the Scottish Government, Highlands and Islands Enterprise, Marine Scotland, Scottish Power Renewables, Scottish and Southern Energy, Crown Estate Commission, Scottish Natural Heritage and Skills Development Scotland - to ensure a greater awareness of all the issues relating to renewable development across Argyll and Bute, and to act as a key mechanism to assist with delivery of the Argyll and Bute Renewable Energy Action Plan (REAP), developed by the Argyll and Bute Community Planning Partnership.

The strategic objectives of ABRA are to:

1. Act as a catalyst to promote the optimal development of the renewables industry across Argyll and Bute, especially in regard to marine/offshore wind and onshore wind renewable development.
2. Foster a partnership approach to securing local socio-economic and community benefit for the communities across Argyll and Bute.
3. Develop the industry in Argyll and Bute in a manner that promotes sustainable economic development and recognises the need for co-existence with other economic activities, our environment and our communities.
4. Work with partners to secure capacity within the transmission network in order to unlock future potential of our considerable renewable energy assets and provide confidence to investors.
5. Assist in the prioritisation and promotion of supporting physical and transport infrastructure investment to enable the growth of the renewables sector.

The geographical area of Argyll and Bute has a significant renewable energy resource with an abundance of wind, water and wave energy, and the energy potentially generated by biomass, which present key sustainable economic opportunities and if harnessed and managed correctly can offset many of the problems faced by our peripheral and fragile locations and communities.

Argyll and Bute has a distinguished track record of pioneering and delivering renewable energy developments, including the first large scale Scottish windfarm, a pioneering approach to Community Windfarm Trust Funds, and proposals to develop the world's first commercial tidal device in the Sound of Islay. I have attached a link to an interactive map which highlights the significant number of existing renewable developments within the Argyll and Bute area as well as the significant opportunities moving forward. http://www.argyll-bute.gov.uk/planning-and-environment/renewable-energy#in_map. There is no doubt that as an area we make a significant contribution to make to the EU and UK Government renewable energy targets with currently 1GW of renewable energy projects in Argyll and Bute, including those operational, under construction and consented.

Many of the individual members of ABRA will be issuing their own more detailed responses to the call for evidence and this response provides an overarching strategic response as opposed to a detailed one.

Our understanding of the various workstreams contributing to developing an Integrated Transmission Planning and Regulatory regime is that:

1. The Regulator is assessing ways to allow the anticipatory investment required to develop a coordinated grid that increases the likelihood of an optimal design while minimising the risk of stranded assets.
2. The System Operator is considering how to charge anticipatory investments
3. Renewables UK is developing proposals detailing the role of a design authority.

ABRA recognises the importance of coordinating the development of the grid infrastructure required to connect on and offshore projects in the interests of minimising costs to consumers. Our members are in the process of developing over 2GW of geographically dispersed renewable energy projects using a range of technologies which will contribute to 2020 targets. However, grid connection offers are being made and refused on the basis that the coordinated approach being proposed exposes individual projects to too many variables outwith their control - essentially the risks attached to development timescales of neighbouring projects. It is unlikely that ITPR will conclude in time to influence grid connections for many of the proposed project in Argyll and the Inner Hebrides but we would like the anticipatory investment, charging and design authority process to take cognisance of risk to individual projects in order to arrive at a conclusion which balances optimal design, cost to consumer and risk to projects rather than risk of stranded assets.

ABRA would welcome the opportunity to engage with you further in regard to the ITPR and if it was thought to be of benefit ABRA members would be delighted to invite you along to one of our future meetings.

Please do not hesitate to contact me should you wish to discuss any of the above or if you require input at this time.

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