



SCOTTISHPOWER RENEWABLES

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Your ref: 55/13

Our ref: 03/01/02/15/10069

Sent by email only to sheona.mackenzie@ofgem.gov.uk

Dear Sheona,

Consultation on the needs case for the proposed Kintyre-Hunterston transmission reinforcement under the RIIO-T1 Strategic Wider Works process

Thank you for the opportunity to respond to the above consultation of 18 April 2013. I am pleased to submit this response on behalf of ScottishPower Renewables (SPR).

SPR is the UK's leading developer and operator of wind generation projects. As such, we have a critical interest in ensuring that the UK's transmission infrastructure is developed in a timely and efficient way to meet users' needs and interests, thus supporting achievement of Government's energy policy objectives.

In summary, we welcome and support Ofgem's initial views that there appears to be a demonstrable need for the proposed Kintyre - Hunterston transmission reinforcement as a first step in the incremental reinforcement needs and that the proposed timing and technical scope of the project appear appropriate. We also welcome that this process has commenced but would urge all the stakeholders to commit to concluding the reinforcement project as a top priority, to help support the Government's energy policy objectives in respect of decarbonisation and diversifying energy supplies.

We have attached an Appendix to this letter giving our responses to your specific questions. We hope you find our comments and responses clear and helpful but we would welcome the opportunity to discuss them more fully with you. If you would like to do so, or if you require any further information from us, please contact me on 0141 614 3075 or at allan.kelly@scottishpower.com.

We look forward to continued, open, proactive stakeholder communication on the progress of the process and project.

Yours sincerely,

Allan Kelly
Regulatory Policy Manager
ScottishPower Renewables

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**CONSULTATION ON THE NEEDS CASE FOR THE PROPOSED KINTYRE - HUNTERSTON
TRANSMISSION REINFORCEMENT UNDER THE RIIO-T1 STRATEGIC WIDER WORKS
PROCESS**

RESPONSE FROM SCOTTISHPOWER RENEWABLES

1. Do respondents consider that there is a need to reinforce the transmission system in the Kintyre peninsula in line with SHE Transmission's proposal?

As noted above, we strongly support the needs case for this reinforcement project and we encourage all stakeholders to commit to progressing and concluding the project as a priority.

Scotland has the greatest renewable energy potential in the UK and Europe, with significant levels of realistically realisable onshore and offshore wind and marine energy resources. The Kintyre area already supports a number of renewable electricity generation projects, but this reinforcement is critical to realising the true potential of the area, which includes further onshore wind as well as significant offshore wind and marine energy projects. Ofgem has previously agreed security and quality of supply derogations for the area in order to allow the TO to connect some of the existing and proposed generation projects and we believe this is further strong evidence of the need for the reinforcement.

In addition, Poyry's assessment concludes that it appears that the needs case prepared by the TO has been based on a pessimistic view of the realistic probability of future generation projects connecting. We have several onshore wind projects in the area currently in the early stages of development and that will not yet be included in the contracted background or the TO's assessment of potential capacity needs. Whilst a more optimistic view may not alter the needs case, we believe that this conservative approach, together with our assessment of our further capacity needs in the area, are further evidence of the need for the reinforcement.

2. Do respondents consider that we (and our consultants) have identified and are considering the relevant factors? Are there other factors respondents feel we should consider in order to form a view on whether there is a need for the reinforcement?

We strongly support this work and reinforcement project as we believe the needs case is already very robust, even allowing for the acknowledged conservative approach that has been taken by the TO.

We believe that if needed, further strength can be added to the needs case by considering further aspects. We consider that the reinforcement will bring local and wider socio economic benefits in the form of increased security, diversity, reliability and quality of electricity supplies in the area, as well the economic benefits arising from investment in jobs, supply chain, services etc.

The Kintyre area offers significant onshore and offshore wind and marine energy potential, in the short and longer term. Given the significant offshore and marine potential in the area, we suggest that consideration should be given to 'stress testing' the reinforcement proposal by considering scenarios that might result in the need for additional flexibility in the project design at this stage, to accommodate future growth in capacity needs. The aim of this should be to maximise longer term benefit, even if there is a short term impact on the already strong needs case.

3. Do respondents have any other comments on our proposed approach and timetable?

We welcome Ofgem's approach and, given the importance of the reinforcement, would urge you to continue to drive this process to a timely conclusion. Certainty on availability of grid capacity is a key factor for new generation projects and is often cited as one of the biggest

risks faced by developers. Timely conclusion of each stage of this project should increase certainty of delivery of the project, which in turn will boost investor certainty and confidence and so support earlier delivery of new generation projects.

We acknowledge that the justification, assessment and consultation process is necessary. However when the needs case is already recognised as being strong, we would hope that the relevant stakeholders can explore opportunities to fast track and 'lock-in' the needs case justification and progress the project as early as possible, in order that uncertainty is minimised.