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Scottish Hydro Electric Transmission's proposed transmission project between Caithness and Moray

SCDI is an independent membership network that strengthens Scotland's competitiveness by influencing Government policies to encourage sustainable economic prosperity. SCDI's membership includes businesses, trade unions, local authorities, educational institutions, the voluntary sector and faith groups.

We are grateful for the opportunity to respond to this consultation on the proposed transmission project between Caithness and Moray.

SCDI recognises the renewable energy potential that exists in the North of Scotland, and the opportunity this presents for a greater contribution to be made from the Highlands and Islands region towards meeting the energy demand of the rest of the country.

A robust, affordable and sustainable energy market is in all our interests and to this end it is paramount that our transmission network not only meets the needs of today, but delivers security of supply for tomorrow. We strongly support the proposed reinforcement of the transmission network which will both strengthen the system and greatly increase the capacity, enabling more energy generation developments to progress.

Having considered carefully the options outlined in the consultation SCDI believes that the proposed HVDC subsea cable link provides the greatest value connection, balancing cost against the deliverability and the economic benefit of an earlier upgrade.

Experience has shown that an onshore transmission line would face a lengthy planning

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timeframe and, given the landscape that an onshore rebuild down the Moray Firth coast between Dounreay and Beaully would pass through, there would be considerable public opposition as well as technical and environmental challenges. This difficult and lengthy planning timescale and the challenging terrain would make the delivery of an onshore option to a schedule that would support the proposed renewable generation schemes incredibly challenging. We also do not believe that the 2026 timing for its delivery is achievable given the planning process and undoubted public opposition. Additional delay would also be likely to see costs increase.

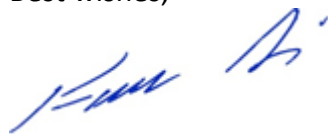
Whilst we recognise the duty of Ofgem to ensure that we have the most affordable energy market possible for customers, we believe that the wider economic benefits of a 2018 connection, combined with the creation of a more resilient network through the creation of a new subsea link, make the HVDC connection the best solution, and the one that realises the greatest economic benefit for the region.

Delivery of an upgrade by 2018 would be a considerable catalyst for new generators to come on stream, helping to create jobs and greater economic prosperity, whilst supporting the development of future connections to Orkney and Shetland to ensure the infrastructure is in place to harness the energy potential around their shores. We understand that 3.1GW of renewable generation could be impacted by a delayed connection adding additional uncertainty and increased cost. Any delay would also have a negative impact on the economic wellbeing of fragile communities in the north who would be major beneficiaries of new generation schemes coming on-stream.

We are aware of the Economic Impact Assessment carried out on behalf of Highlands and Islands Enterprise showing that there would be a 32% greater jobs impact from the subsea option as a result of the shorter timescale. Whilst we agree with this assessment on the basis of the same overall jobs total as a result of the same generation eventually coming on stream, we are not convinced, should the connection experience the delay an overland option would inflict, that all of the generation outlined would be realised. We also believe that there would be a far wider benefit from the earlier connection as a result of it improving investor confidence, stimulating investment in the supply chain, and the increased attractiveness of the area for the manufacture and maintenance of renewable generation technologies.

I hope that you feel able to allow this project to progress without delay to ensure that the maximum opportunities can be realised from this important reinforcement of the transmission network.

Best wishes,



Fraser Grieve
Highlands & Islands Director
SCDI