

Stuart Boreland
Electricity Transmission Investment
Ofgem
9 Millbank
London
SW1P 3GE

Your ref

Our Ref

Date

3rd February 2015

Contact / Extension

Alan Kelly/0141 614 1736

Dear Stuart

Assessment for the NSN interconnector to Norway

This response is from SP Transmission plc (“SPT”) the onshore Transmission Owner (“TO”) for the South of Scotland. As a TO we are required under our transmission licence to comply with the System Operation – Transmission Owner Code (“STC”) and to make available our transmission assets to National Grid Electricity Transmission (“NGET”), the System Operator (SO). We also must ensure that we develop an economic, efficient and coordinated onshore transmission system.

SPT are committed to the development of an integrated sustainable low carbon electricity system and recognise the benefits interconnectors can make to achieve this. The use of hydro schemes to operate in conjunction with wind generation has the potential to provide a good mix of capability to balance overall system needs. We therefore welcome the development of the NSN interconnector to Norway as a project that could bring benefits to the GB consumer. The scale and probability of these benefits being realised has to be understood as far as possible before committing the GB consumer to fund such a project. We therefore welcome the opportunity to respond to this consultation and would like to make the following points.

SPT have not yet been engaged with, or party to, any assessment of the impact of the NSN interconnector on our network. It seems likely given the proximity of the connection to our network that there may need to be some associated works. These works need to be established and costs included in the overall final needs case assessment.

SPT have not been consulted on the connection point and therefore are not able comment as to whether the landing point in NE England provides the best trade-off between onshore reinforcement costs and NSN costs.

While changes in the generation background can undoubtedly have a significant impact on transmission boundary capability, the potential for the NSN interconnector to enhance boundary B6 capability by 350MW and that this (combined with the B7 impact) could displace £2.3m of investment per annum requires further explanation. Our initial view is that 350MW incremental B6 capability is higher than we would expect.

Regulation & Commercial

It is also worth highlighting that with regard to prospective system operation impacts, there does not appear to be reference to the impact on Scottish import capability i.e. the ability to transfer power from south to north across B6. It is likely that given the location of the NSN Interconnector, it would have a material positive impact on import capability, which is increasingly becoming a consideration as the generation mix in Scotland and the north of England evolves over time.

I hope this is of some help and look forward to discussing further if required.

Yours sincerely



Alan Kelly

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