Geoff Randall
Ofgem
9 Millbank
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12 January 2016

Dear Geoff,

Consultation on a potential RIIO T1 and GD1 mid period review.

Scottish Renewables is a member organisation with 320 members working across all renewable technologies, dedicated to securing the best possible environment for the growth of renewable energy in Scotland.

Renewable electricity generation is expected to reach the equivalent of 100% of Scotland's demand by 2020. Our electricity network is central to this ambition and it is vital that the grid is able to transport energy from remote resource rich parts of the country to our homes and businesses where it is needed the most.

It is our view that there is no requirement to take forward a mid-period review for RIIO T1. However there are a number of issues raised that Ofgem should consider either out-with a mid-period review or in the context of RIIO T2.

We have set out our views on each of these areas below

Strategic Wider Works (SWW)

Given the high value and uncertain nature of many Scottish transmission infrastructure needs, a large amount of Scottish Transmission Owners planned infrastructure investment is required to gain Ofgem approval through the SWW process.

For many renewables generators (whose projects may rely upon successful outcome) this process can often seem opaque. Given there is a clear interest from all parties to ensure that the needs case is robust and that the regulator fully accounts for all costs and benefits, we encourage Ofgem to engage with industry to increase transparency where appropriate.

This is a particular issue for the Scottish Islands connections and we welcome the recognition from Ofgem that a greater degree of interaction between all parties will be necessary to and evaluate the risks and uncertainties of a project and the expected benefit for consumers, given the specific issues relevant to island links.

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INVESTORS IN PEOPLE

In addition to the continued engagement with the Renewable Energy Islands Delivery Forum, we would encourage the development of clear guidelines for industry engagement in the SWW process.

Monitoring the needs case for projects in construction

While we recognise the need to ensure that under no circumstances should spending continue on assets that are no longer required. It is important that, given the volume of generation waiting to connect in Scotland, any such monitoring would not act as disproportionate barrier to development.

Availability - Scottish islands links

Single circuit connections have particular implications for financing projects on the Scottish islands. Project financiers will typically require the risks to be quantifiable with clear steps attached to manage and mitigate such risk.

Therefore we welcome the recognition of this issue and the work to ensure that incentives on islands transmission owners are sufficiently strong to ensure that any faults are addressed in a timely and efficient manner. However, it is vital that any measures introduced would not cause unnecessary delay to the work of both UK and Scottish Government to secure links to the Scottish Islands.

Assumptions behind renewables generation deployment

It is not clear where the projected 33GW of new capacity in England and Wales as set out in this consultation has come from. However, the Governments own advisor, the Committee on Climate Change has stated that in order to meet the fifth carbon budget renewables capacity will need to at least double to reach around 60 – 90GW by 2030.

Therefore despite a number of unexpected policy decisions to reduce or remove support for renewables generators, there is clearly both a need and ambition to continue deployment of new capacity and it is vital that the network is able to respond to demand for connections when they arise. It is our view that that this flexibility can be delivered within the current RIIO T1 settlement.

We would be happy to contribute to any additional work arising from this consultation.

Yours Sincerely,

Michael Rieley
Senior Policy Manager: Grid & Markets