

Q1: Do you have any views on the costs of the preferred Shetland New Energy Solution

Lacks the detail to comment.

Q2: Do you have any views on whether the recommended solution represents the optimal level of cost efficiency available

SHEAP has an adaptable network available to distribute up to 100,000gwhrs of heat annually to users in Lerwick. In order to maximise value from any energy solution, SHEAP should have been considered for the distribution of otherwise unused energy, providing an economic benefit to the community. The proposed solution does not do this and therefore does not represent the optimal level of cost efficiency available

Q3: Do you have any views on whether the proposed incentive arrangements are sufficient to maximise the availability of the service, and to minimise increases in costs to consumers on an ongoing basis

It is the opinion of SHEAP that the choice of technology would indicate that it does not.

Q4: Do you have any other comments ?

SHEAP provides heating and hot water to some 1200 customers within the environs of Lerwick, we have over 30 miles of transmission pipework pumping over 53,000gwhrs of heat annually, the majority of this heat is sourced from a waste to heat plant currently operated by the SIC.

In 2017 we were ready to sanction a project to take waste heat from the current LPS, this potentially generated an additional 35,000gwhrs of heat to allow for expansion. In total we envisage that in the next 5 to 10 year period we could be generating over 100,000gwhrs of heat.

It is the ambition of SHEAP to grow the customer base within the current network to over 2000, and to provide heat within other communities in the Islands.

The heat transmission from SHEAP has a direct impact on the level of electrical generation required for the islands, as such we would look for this New Energy Solution to minimise waste by providing cheap electricity into SHEAP when restrictions apply to renewables, for SHEAP to convert into heat and store for distribution. We also feel that there is opportunity of generating and storing heat from the AC/DC converter station.

It is the opinion that a JV with SHEAP could:-

1. Minimise waste within the proposed solution
2. Maximise value to the islands
3. Could make “the costs of the energy supply solution for Shetland are efficient”