

Here is Aquatera's response the Orkney Transmission Project Needs Case consultation. We are happy for this to be made public.

We endorse the OREF response and support SEEN case regards conditionality which should remain at 70 MW.

Specifically we would reiterate OREF's summary points:

- 1) We agree that the network to Orkney and the network on Orkney both need major reinforcing
- 2) The generation scenarios report on what was in play at the time but do not include shorter term additional capacity associated with more onshore wind, offshore wind and gas generation which could be added if necessary to reach capacity targets. The scenarios grossly underestimate the medium (2025-30) and longer term (2030+) generation potential. The scenarios also fail to address the local demand trends – likely increasing to ~150MW
- We believe that a series of capacity options should be considered within the needs case with approval given to each option depending upon the conditionality reached – this would guarantee at least some kind of connection
- 3) The basic design of the routing and placement of infrastructure is understandable. We support the undergrounding from Warbeth to Finstown; we would seek the base level for the sub-station to be as low as practical, not the cheapest option; we suggest that burial of the subsea cable is unnecessary along much of its route based upon past cable damage and failure experience with similarly unburied cables.
- We cannot comment on costs since we have not been given the opportunity to review them – THIS IS A KEY FAILING IN THE NEEDS CASE PROCESS
- 4) We strongly disagree with Ofgem's concerns about the CBA. We do not see how the responsibility held under Ofgem's remit are adequately or appropriately considered within the current CBA and the rejection of SSEN's suggested additional factors which, in part, seek to address the wider issues seems blinkered. We would advocate a much more realistic and holistic approach to value (Our own assessment suggests a margin consumer cost of £0.18/yr compared to a benefit of £135/yr
- 6i) We disagree with Ofgem's conclusion we believe that any connecting transmission cable will be filled to capacity within 10 years of it being announced and within 5 years of it being installed. The only real uncertainties associated with this are the ones created by Ofgem's own proposed changes to the access charging regime and other 'market' influences of the regulatory framework. Essentially the biggest risk to the success of the cable is Ofgem itself!
- 6ii) We believe that the alternative approach is a sensible way of getting better queue management and would contend that all developers who embark upon project development in Orkney are fully committed to see things through. The greatest difficulties have been caused by changes in/absence of UK government policy!
- 6iii/iv) There are many indicators of developers commitment, any one of which should be taken into account as an indication of intent depending upon circumstances. There are also a number of back up opportunities should any one scheme fail.

We look forward to being able to meet-up with Ofgem to discuss the issues arising about the specific case under review and the best way of establishing future needs cases and the review processes associated with them.

Best regards

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