



ORKNEY HERITAGE SOCIETY

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Response to 'Orkney transmission project: Consultation on Final Needs Case and Delivery Model'

Preamble:

Orkney Heritage Society was founded in 1968 with the following objects to promote and encourage by charitable means:

- a) To stimulate public interest in, and care for, the beauty, history and character of Orkney.
- b) To encourage the preservation, development and improvement of features of general public amenity or historic interest.
- c) To encourage high standards of architecture and planning in Orkney.
- d) To pursue these ends by means of meetings, exhibitions, lectures, publications, conferences, and publicity, and the promotion of schemes of a charitable nature.

As such OHS sees climate change as the single biggest threat to Orkney's heritage. Tackling climate change will require the complete decarbonisation of our society and as a result we recognise that new means of harvesting energy will be necessary. In Orkney we are acutely aware of the potential that renewables provide to our society and we have no wish to impede the appropriate development of these important, carbon free, energy sources. We also recognise that schemes will need to have the means to transmit the harvested energy.

We also know that the generation systems and the infrastructure will have impacts on the landscape and heritage of the host community, but we are keen to make sure they are well designed in order to maximise the benefits of the schemes, whilst minimising any negative impacts.

We are therefore not against the nature of the infrastructure proposed by SSEN in Orkney. Indeed we support several key aspects, but we are critical of some because we do not think they are good enough.... yet.

OHS is not a professional lobby group, indeed the majority of our activities since inception have been fairly low key. All have involved local activities and with the exception of the implacable opposition to uranium mining in 1977 most will have been done quietly behind closed doors. OHS' public statements about its concerns about the inadequate nature of the mitigation involved in this scheme is therefore significant. We do not normally do this sort of thing, so we would be grateful if you would appreciate the gravitas of this matter from the perspective of the local community.

This response to the consultation therefore is wide ranging and brings out several key points as detailed below in three distinct sections:

1. OHS response to OFGEM's general questions on the consultation.
2. Answers to OFGEM's specific questions in the consultation

3. Matters that relate to the consultation; specifically OHS's major concerns as to how poorly the consultations have been undertaken by SSEN and the lack of a holistic approach.

OHS fears that an inadequate scheme is being foisted onto UK consumers and particularly the people of Orkney who will need to host this for decades to come. Overall OHS urges OFGEM to redouble its efforts to ensure this regulated business does a good job with UK consumers' money and so protects the opportunities for renewable generation in the future.

Response to OFGEM questions as to this consultation (Page 12)

You ask about the overall process of this consultation. The following numbers are those used in your questions. (No comment is made on your pre-questions 3, 5 & 6):

1. OHS finds this process is flawed due to the paucity of the information available. We are being asked to give tacit approval to a scheme underpinned by documents we cannot see and facts we are unable to corroborate or challenge.

It is unclear as to why an Initial Needs Case assessment was not submitted and whether that was due to expediency or cutting corners and at present it is not clear who did this or who sanctioned it. See A1. below for further details.

2. The consultation document is unclear in its purpose. If the Needs Case is only about the transmission link and substation(s) then the first consultation question you pose is flawed. You ask *"Do you agree that the current network on Orkney needs reinforcing to connect additional generation?"* Since there is no transmission here at present the answer must be "No". If on the other hand the question relates to the present distribution network it is unclear how this fits into the consultation's narrow remit of just the transmission connection and substation(s).

OHS' opinion remains that the whole scheme needs to be considered more holistically and the transmission link has to be considered along with the core of the schemes that will use it. This is not an appeal to look at every detail as it is clear they cannot all be fixed at this point, but the false subdivision of the feeder cables and infrastructure from the transmission equipment to which it is connected is dangerous. OHS believes this fundamentally undermines the holistic position that OFGEM are presently seeking to develop in the industry as a whole.

OHS notes that you have been willing to link the external consultations (2.21) of the Alternative Approach into this decision. This shows an appreciation of the need to take a sufficiently wide view. However your narrow remit then mitigates against this in other areas. This inconsistency is an issue of itself in this consultation. OHS believes that the cases for the feeder lines to this project must be considered in your final judgement. See later.

4. It is unclear why the clear recommendations by your contractor DNV that a holistic view be taken of both transmission and distribution has not been taken up by OFGEM. See 3.4 later for further details.

Main Consultation response

Specific questions posed:

In the wider document you also asked a series of specific questions. OHS has attempted to answer those in which it has competence. The questions are shown in ***bold italic***. There are, however some inevitable overlaps to the answers and the entirety of this letter should be taken as OHS's response, not just the elements where they perfectly map onto the questions you have posed.

1. Do you agree that the current network on Orkney needs reinforcing to connect additional generation?

See point 2. Above. OHS accepts that transmission infrastructure is needed in order to maximise the benefit of renewables, however it does not believe this agreement also gives permission for the cheapest possible job to be done.

OHS welcomes the care and attention that has been taken by SSEN as to the export cable from the proposed sub-station to the sea but is appalled at the lack of similar effort over the substation. OHS also maintains that the introduction of Trident lines as part of the cabling to connect the scheme must also be considered in the overall assessment of the scheme as these will have a huge impact on the Orkney landscape. If un-mitigated, then the opposition to the lines will fundamentally obstruct the county's renewables opportunities.

See 3. later.

2. What are your views on the generation scenarios?

OHS notes that OFGEM questions the likelihood of tidal generation coming forward at the pace stated by SSEN. OHS also believes that the aggressive timetable for tidal generation roll out as outlined by SSEN is implausible. In the light of present Government policy OHS believes even the GHD-S1 case is unlikely.

However OHS strongly supports the development of tidal and indeed wave energy and would like to ensure that it receives the support it requires. Part of that support is the need to have grid space into which it can generate and OHS notes OFGEM's apparent willingness to 'future proof' the connections (2.48.4). OHS therefore urges that there be some hypothecation of space on any new connection for the exclusive use of tidal and wave energy.

However OHS is firmly of the opinion that OFGEM can place no confidence in this sector being able to be part of any contracted capacity that will trigger the project at this point or by December 2019. This is in the light of an SSE company having put Brimms Tidal Ltd, the company behind the main tidal development, into liquidation (The Gazette: Ref 3114540 21/9/18). This along with the recent silence of other tidal developers on their plans makes OHS suspicious that the plans remain credible. OHS has challenged SSEN as to whether OFGEM have been kept apprised of the general attrition that appears to have taken place in potentially connected parties and received an evasive answer.¹

¹ Brimms Tidal Ltd was wound up by SSE-Renewables on the 21st of Sept 2018, however SSEN claim that they officially know nothing because these are different companies under the larger SSE umbrella. It seems implausible that a company from which all the SSE employee directors have resigned leaving just legal appointees in place intends to continue with a multi-million pound commitment.

OHS strongly recommends that OFGEM re-examine the capacity of those behind the connection offers in place. OHS suspects that at least one is incapable of fulfilling its original contracted obligations and the intention of others, and the capacities they need, seem to be in question.

3. What are your views on the technical design and costs of the proposed Orkney link?

3.1 Scale of inclusion in present Needs Case:

OHS struggles, without sight of the Needs Case itself, to understand what is within and what is outwith the Needs Case. As mentioned elsewhere this consultation is therefore hard to answer on your terms.

3.2 Substation design:

In one breath DNV's document talks about the need for a two phased approach to scheme, but then it seems that both phases are only within the consideration in parts of this consultation. The consultation is clearly about the single export cable. It is clear that any subsequent cables would be subject to further Needs Case Assessments and further commitment by generators.

It shows the substation capable of expansion in the Single Line Diagrams (SLD), but the graphics published by SSEN of the sub-station do not show the physical space to expand the facilities on the site later. It is therefore unclear if the structures proposed are big enough to host the Phase 1 and Phase 2 equipment. If they are big enough and can host both phases then they are oversized for just the Phase 1's needs and it is unclear why these costs would be deemed appropriate for inclusion in the present Needs Case in the light of the rejection of the underpinning tidal generation. If on the other hand they are not big enough then there is concern that the site is physically not big enough to accommodate any Phase 2 expansion and will face opposition if the land-take gets bigger still.

Similarly the SLDs and documents (DNV Page 39) show 14 switchgear bays, but only identify 7 for use. It is therefore unclear if the site is being oversized at the consumer's expense, or there are other undeclared plans afoot.

Alternatively, if the structures are only big enough for the Phase 1 works then it is not clear if the assorted visualisations are actually indicative of the works SSEN plan for the site.

This lack of clarity is of fundamental importance to OHS. OHS believe that we need to make sure Orkney is on-side with what is to be built here and we need to be assured that it is able to be accommodated in the Orkney landscape. The heritage of the county needs to balance the impact of new development with the need to decarbonise and we are extremely concerned that the full picture is not being presented by SSEN. To be blunt we feel we are being lied to.

OHS therefore cannot support the plans presently being put forward for the sub-station until there is clarity as to what is intended. Regrettably we fear the lack of clarity on the part of SSEN is deliberate and reinforces our scepticism as to the veracity of any statements they might make about local stakeholder engagement and support.

Later in this document (A2.) OHS cites some examples of the poor communication the county has endured. OHS has been working hard to pry answers from SSEN with limited success. This continuing, painfully slow, dialogue remains a significant worry, but the unwillingness to consider change is of even greater concern.

3.3 Substation level:

It is noted (DNV Page 48) that a contractor has been selected from their list of four, but OHS notes with dismay that the scheme design got worse when handed to the contractor. This is evidenced by the fact that the platform height of the substation was originally shown by SSEN at 52.5m AOD in July 18, but when the contractor's levels were used in September 18 then it had risen to 53m. SSEN then, misleadingly, announced in the press in Nov 18 it having been lowered by 1m to 52m AOD – only 0.5m lower than originally proposed and not the 1m of which much was made.

OHS is extremely concerned at the platform height being proposed of 52m AOD and regards this as one of the most easily resolved shortcomings of the scheme. However, the excavation to allow the lowering of the site into the ground is not a matter SSEN seem willing to countenance.

OHS therefore regard the costings for the sub-station as questionable. It is anticipated that there may well be additional expense in excavation required. This may well be a matter that surfaces at the planning stage, and we expect it will be something that SSEN will oppose any increase in costs citing your drive for minimum costs.

However OHS believe that unless a scheme is proposed that is locally acceptable that there will be opposition to the deployment of further renewables in the county. Given the bounty of renewable energy here that such opposition would be both unfortunate and, OHS would argue, unnecessary. A well designed scheme may cost a little more, but it will enable the UK to tap into the greater renewable resource and so help better deliver the UK's decarbonisation targets. Given the higher load factors here when compared to elsewhere, OHS believe that it is entirely appropriate to spend a little more on the scheme and so protect the option of subsequent stages of generation from opposition.

OHS also note that DNV believe the substation has presently been under-costed and OHS will be pressing to see this element executed well enough to generate public support; accepting the additional cost and extended period of disruption as costs worth bearing.

3.4 Holistic overview:

OHS is pleased to see the recommendation (DNV Page 35) that a holistic view should be taken of the opportunities presented by the existing distribution architecture. OHS notes with disappointment that this does not form one of OFGEM's recommendations and would strongly support OFGEM were this to be added to your final decision.

This omission by OFGEM is doubly surprising in the light of your decision RIIO-2 framework decision published in July 2018 where you signalled your intention to remove regulatory barriers to "whole system" outcomes between networks. OHS sees the necessary interaction between the present distribution system and the proposed transmission system is a core part of that re-shaping of the energy landscape in Orkney.

SSEN have not been consistent in their presentation of the issues and opportunities, and OHS believes they have failed to grasp key opportunities that are available.

For clarity; OHS believes that the present overhead distribution clutter should be rationalised and largely undergrounded for visual intrusion reasons, but also from the point of view of increasing network reliability.

OHS believes that significant improvement to the landscape of the county could be achieved if the overhead cables installed in the 50s onwards were undergrounded. Since the distribution voltages are lower, and it has been done in several locations in Orkney already, OHS believes that some of the impacts of installing new overhead lines could be mitigated by relocating some existing distribution assets underground.

Unfortunately such suggestions have been met with incredulity if not downright hostility by some members of SSEN's staff. Orkney already suffers from low reliability levels with monthly power cuts and it seems a wasted opportunity not to at least consider some joint working across the 'distribution' and 'transmission' arms of SSE. To date OHS has become aware that some sections of existing distribution are to be undergrounded, but only as an engineering means of getting the airspace to install the new Trident lines. Orkney would welcome the opportunity to see if more could be done to improve the aesthetic rather than just tolerate the engineeringly expedient.

Because of the frequent claim that 'that is nothing to do with us - that is Distribution' SSE fails to corporately recognise that it could evade the forthcoming public opposition by some careful work now. OHS calls upon OFGEM as regulator of the industry (rather than as just regulator of individual business units) to take the opportunity to help get a more rational and contemporary design to be agreed.

OHS is aware that other groups such as the Orkney Renewable Energy Forum have also called upon SSE as a whole to work together and be holistic. OHS completely supports this stance and urges OFGEM to recognise the opportunity it has to exercise its authority in this area.

3.5 Cabling costs:

OHS cannot see the cabling costs that DNV referred to as being high due to the paucity of detailed information and your redaction of details. However OHS would like to make it clear that it is very supportive of the commitment by SSEN to underground the outgoing transmission cable between Finstown and Warebeth. The inevitable opposition to lattice towers was sensibly headed off by SSEN through its proposal to underground this transmission link throughout its full length. The fact that this may (we are guessing due to the redaction) be more expensive is, frankly, one of the prices of working in the Orkney landscape. OHS therefore supports the efforts being planned by SSEN in this respect and would urge OFGEM not to seek to change this by being overbearing in terms of the costs of this element.

OHS also notes that DNV regard the sub-stations as having been under-costed. OHS would cite this as an opportunity to consider works beyond the cheapest possible as seems to be being proposed. i.e. the lowering of the platform height may increase cost but could be afforded if costed.

3.6 Grid layout:

It is unclear upon what basis the analysis referred to in 2.28 was undertaken. If it was a simplified diagram of generation it would lead to a single GSP in the centre of the islands. However the scheme appears to be two cables (Phases 1 & 2) each serving different customers (wind phase 1, tidal phase 2). Since the location of the wind resource to be exploited has become unclear in the light of the present planning appeal, it is correspondingly unclear that the chosen spot for the GSP is sensible. Once the generation sites are confirmed it may be possible to better optimise the sub-station locations.

Put another way; If all the wind development does indeed take place in the north of the isles then the GSP in the centre makes less sense. At present the generating locations are unclear and OFGEM therefore run the risk of endorsing a location which then forces the pattern of development; a position that OFGEM may wish to avoid.

It should be noted that already the onshore layout is being challenged since there seems little likelihood of the tidal scheme off Hoy progressing in the Phase 1 timetable and the southern wind site is in doubt. The loop of poles around three sides of Scapa Flow therefore looks untenable, so making the proposed GSP location less logical.

3.7 Shorter route:

OHS is concerned that the route proposed to connect the generation in the southern isles is sub-optimal and unnecessarily intrusive.

OHS believes that there is a shorter submarine route that avoids the need to encircle 3 sides of Scapa Flow with ugly, vulnerable and unnecessary Trident lines.

This appears to have been due to an early, and we believe flawed, decision to discard a route crossing the Flow. In several discussions SSEN have failed to justify why a much longer and disruptive route is proposed. They have cited several reasons, and even claimed in the press to have then undertaken further underwater works to look at locally proposed options. (This was subsequently found to have been a fabrication and no underwater works were undertaken after we raised the option).

Further meetings are planned around the time of this submission and OHS continues to press SSEN to consider the scheme. OHS would like OFGEM to similarly press SSEN to demonstrate which is the optimal route.

OHS would point out that following local pressure SSEN have now agreed to bury portions of the scheme, so the costs that may have been considered for the feeder cables for a significant proportion of the southern connections have now been increased. We do not believe these additional costs have been shared with the intended developers, and we certainly do not believe that they are capable of continuing to commit to the connection offers they were made for two reasons:

1. The contracted company are now in liquidation.
2. The generating technology supplier has been liquidated.

Notwithstanding these considerable draw-backs, OHS believes that the difference in cost between the shorter submarine route and the longer (and probably less reliable) Trident route should be properly evaluated. Whether this forms part of this needs case assessment, however OHS would urge that this should be considered if a holistic view is taken as indicated earlier.

4. Views on CBA

No comment

5. Views on additional CBA

No comment

6. Views on conditions for approval?

6.1 Timing:

OHS notes that the timing for the scheme is driven by the developers' timetables to secure the reinforcement (DNV Page 47) and the date of energisation is shown as 2022. It is also noted that DNV state a commitment date is expected by SSEN of December 2018. OFGEM's introduction of a December 2019 deadline for commitment to a connection must therefore now put the energisation date back by at least one year.

OHS would further question the rationale behind the December 2019 date and notes OFGEM signalling that this date too might be shifted if other matters come into play.

OHS notes that the timetable for the proposed completion fits within the RIIO-1 period, but believes that this is not germane to the timetable proposed by SSEN. It would be useful to understand from OFGEM whether this is the case. (**Action:** OFGEM please clarify if this decision needs to fit within the RIIO periods, or whether this is a decision upon which SSEN has sovereignty)

OHS welcomes the delay in the required commitment date from December 2018 to 2019 as this may well provide the opportunity for SSEN to improve their design.

OHS regards this as a matter that is of pivotal importance to Orkney's renewables potential and is concerned that the scheme is unclear as to what it actually intends.

The delay in the commitment period from 18-19 should provide sufficient time for SSEN to bring forward a better thought out scheme for the sub-station.

6.2 Threshold of committed generation:

OHS believes that the concerns it has about the impact of the sub-station on the surrounding environment can be mitigated by spending a little more on the pre-works and by lowering the site. Furthermore OHS believe that it will be necessary to further underground both existing distribution clutter and change the Trident lines to undergrounded cables, possibly with a revised (shorter) route.

Whilst the latter are claimed not be part of the Needs Case, the platform level of the site definitely is. The additional costs of cable burial are germane to whether the feeding renewables schemes are financially viable, so they are also relevant to the likelihood of the transmission link being needed.

It is not clear that these changes will cost less, so it would be imprudent to accede to SSEN's requests for a 'go/no go' decision on the basis of the bare minimum of committed connections. OHS believe that OFGEM are being prudent in seeking the higher 135MW commitment level and support this line being held.

Bringing the matter of timing and threshold together: whilst OHS wishes to see renewable generation take place in the county, it would be more willing to wait until a properly executed scheme could be delivered. OHS would regard a delay as appropriate in order to allow the time for proper local dialogue to find an acceptable scheme rather than one done on the cheap and with no opportunity to excel.

OHS would also urge OFGEM to require the holistic assessment of transmission and distribution interaction to be properly, openly, and fully explored in order to build a 21st century network. Regrettably OHS sees no sign that SSEN have considered this.

OHS does not regard itself as competent to comment on the financial calculations undertaken in the Needs Case Assessment and makes no comment on these matters. However, although OHS cannot comment on the financial modelling undertaken of the 70/135MW threshold, OHS intuitively supports the higher threshold as a means to ensure there is sufficient money to see the job done well.

OHS has no competence to express an opinion on Questions 7, 8, 9, 10.

A. Wider questions and points that relate to this consultation:

A1. Initial Needs Case or Final Needs Case

Can OFGEM please confirm how it came about that an Initial Needs Case Assessment was not made? Was this a stage that SSEN proposed skipping or a matter that OFGEM directed upon? The reason for asking is that on the 20th of December 2017 we were specifically told by SSEN that the Needs Case Assessment they had applied for was an Initial one. Your recent document states that this step was omitted because of the developed nature of the scheme. It is not clear who decided to skip the initial step and this needs to be clarified. (Action: OFGEM)

A2. Poor communication and stakeholder engagement:

It was something of a surprise to find that the document being pronounced upon was the 'Final Needs Case' (see later). As mentioned above we had been specifically told by SSEN that this was not the case and that it was an initial assessment. Regrettably we find this is systematic of SSEN's

inability to communicate accurately, openly, and effectively. When pressed on specific details they are often evasive and when actual answers are given they are then found to be wrong.²

OHS has not had sight of the Needs Case, nor any of the documents (such as the GHD report) referred to as having been submitted (DNV page 45). As such we are therefore badly in the dark as to the extent, accuracy or completeness of the documents.

OHS has asked for sight of the Needs Case but been refused. It is understood that other organisations have been offered belated sight of it under threat of NDA, however this is not an offer afforded to OHS.

This is a matter of concern as we fear that the impression they are giving you about how they have followed process is unlikely to be accurate. We see statements by SSEN about how good they are at keeping locals informed. We feel they are simply terrible in that they are often very late with any information, often evasive or simply will not engage.

As a specific example: It is frequently unclear as to whether the entire scheme is being discussed or just the transmission link. There is reference to 'Local Transmission Infrastructure' (DNV page 33), but when seeking to pin down SSEN on details they are evasive as to whether that is part of the Needs Case or not. We have been specifically told by SSEN that the radial lines feeding into Finstown are NOT part of the Needs Case assessment, however there is often passing reference to them both in the documents you receive and the answers we manage to secure.

When seeking to show how they have acceded to local demands to underground the scheme they roll the export cable and the incoming feeders together so as to appear to show a higher percentage of undergrounded routes. This seems duplicitous.

Since your documentation refers to the feeder lines, and these power lines are of great concern in the county, we do not believe any decision can be taken without cognisance of them.

OHS also believes that SSEN have withheld information that they realise will generate opposition to the scheme; specifically the Trident lines. The impact of the erection of over 1000 poles in the otherwise flat landscape is a matter of great public concern. It is noted in the DNV report that steel lattice towers are not to be used and 'they are not features in the Orkney landscape'. OHS would like to point out that the proposed 56 foot high Trident poles are also not present in Orkney either. These poles will be extremely intrusive in the Orcadian landscape and are already subject to public opposition.

If the entire transmission scheme is predicated upon the installation of these poles to supply the energy to the Finstown Sub-station, then the opposition to them is a risk to the project. In other words there is a significant risk of the Finstown Sub Station and Dounreay link being a stranded asset if the connections from generators cannot be made. OHS notes that the 8 risks outlined in the DNV document (Page 50-52) do not list this as a risk, probably arguing that this is outside the Needs Case

² Examples include:

- SSEN were asked about the reference to 'Phase 1' in some early documentation and told by project staff that this referred to Phase 1 being the transmission link and substation, Phase 2 being the internal cabling connecting the generation sites. This is illustrative of the misinformation given.
- Initial v Final assessment (see A1.)
- 1m lower sub-station, but actually 0.5m lower (see 3.3)
- Noise to be no greater than now, but then reneged upon.

assessment. There is a risk associated with the visual impact of the sub-station, but not the feeding infrastructure. OHS believe this is a serious omission.

If the Needs Case had been effectively shared then this matter could have been more clearly addressed.

A3. Poor consultation practice by SSEN.

Every stage of the consultation process has been criticised locally for its scale and competence. SSEN has now admitted (letter to OHS 15/1/19) that it has not produced reports on the consultations undertaken in Nov 17, July 18 and Nov 18 events. This is not surprising as OHS believes they would have been damning indictments of the poor engagement and would have shown the continuing concern and opposition to the plans as put forward at each point. Indeed the last report on consultation (May 17 on Feb 17 event) was indicative of the poor process.

The concern for OHS is that this poor performance is not recognised corporately and is not being reported to you the regulator. In their recent RIIO-2 Stakeholder workshop in Glasgow they used the following slide as an example of what a good job they are doing; specifically with Orkney. This is terrifying to OHS as it shows a complete disregard for the local reality.

The slide is titled "Current approaches - Project engagement" in a dark blue header. Below the header, three brochures are displayed. The leftmost brochure is titled "Orkney Transmission Connection and Infrastructure Project". The middle brochure is titled "Our Proposed Solution". The rightmost brochure is titled "Consideration of Environmental Effects" and "What happens now and how do I have my say?". To the right of the brochures, there are two quote boxes. The top box is blue and contains a quote from a "Local authority representative" praising SSEN's communication. The bottom box is green and contains a quote from an "Energy company" stating that while SSEN is doing a good job, they need to act on feedback. The slide features a decorative wavy line at the bottom and the Scottish & Southern Electricity Networks logo in the bottom right corner.

Current approaches - Project engagement

"SHE Transmission has been very reliable locally and have been very communicative with the local community"

Local authority representative

"In terms of engaging with communities, SSEN are doing a good job. However, they need to act on feedback from these events."

Energy company

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Scottish & Southern Electricity Networks

OHS therefore wishes to formally record its fundamental disagreement with the comments in the DNV report (Page 44) that '*SHE Transmission has actively engaged relevant stakeholders in all stages included in the SSE LCP guidance*'. OHS is of the opinion that the engagement has been very poorly done and can provide numerous examples if requested.

Whilst writing OHS would like to highlight its surprise at the £4M award by OFGEM on the 16th of November last to SSE under your Environmental Discretionary Award. OHS notes that you cite:

SHE Transmission provided positive evidence of an internal review of last year's EDR submission considering feedback and actions necessary to improve their score. The narrative throughout category responses was generally of good quality and demonstrated that the

licensee has put in place a number of additional strategies targeted at sustainability; for example, establishing a Board sub-committee with responsibility for sustainability, and extensive ongoing stakeholder engagement.³ SHE Transmission has also embedded a whole system planning approach across its business.

For the most part, SHE Transmission targeted evidence to the specific EDR requirements (although less so in the 'strategic understanding' and 'direct environmental impact' categories). To improve its score in future EDR submissions, SHE Transmission should submit higher quality evidence, particularly for aspects relating to activities undertaken, and impact or contribution within the scheme year.

OHS would like to better understand how OHS' explicit concerns as to the inadequacies of SSEN's stakeholder engagement and absence of reporting of activities can be weighed against the clearly positive spin SSEN has placed on its activities to date.

A4. Appropriate costs

OHS is keen to be sure that OFGEM has satisfied itself as to the appropriate cost allocation in this project and notes this is being considered (2.61).

It is unclear to OHS whether SSE as a whole are seeking to shift costs associated with its existing operation (and therefore its 'on balance sheet' activities) onto this project by hiding them in the activities planned under this scheme. In part this is due to the lack of information, but also due to the shifting narrative when questioning SSEN since the scheme was first proposed.

Orkney has been repeatedly told that this scheme will have no effect on the local distribution network and associated constraints. Indeed we were originally told that there would be no connection to the local distribution network. We do not believe this. It is implausible that the increased resilience that will be introduced by a new transmission connection and the associated connection to the distribution network will not provide a better service. Such an improvement would be welcome however it feels as though the benefit (higher system charge revenues derived from less constrained generators plus new generators recruited onto the less constrained network) is not being recognised and valued. OHS suspects that SSEN will be able to take this benefit without passing it along to local consumers through improved mitigation of impact.

This better 'up-side' should be further reflected in the value to SSEN and therefore add further to the obligations to build a scheme of appropriate quality.

³ OHS' highlighting.

In summary:

OHS supports OFGEM's determination to ensure that any investment made in a Transmission link to Orkney should be properly underpinned. Given the renewables potential of the county OHS does not believe the 135MW out of the >200MW connection threshold is unreasonable.

OHS supports the dismissal of tidal energy as an underpinning element for the first phase of any connection but urges some hypothecation of capacity in Phase 1 to enable R&D to continue.

OHS is concerned that OFGEM is unaware of the scale of local concern/opposition as to the impact of the proposed schemes, and particularly their connecting cabling. If this opposition is maintained then the likelihood of the necessary generation levels being permitted is low. OHS therefore urges OFGEM to push SSEN to do a good enough job of its scheme, and the underpinning incoming connections, in order to ensure this opposition is not obstructive to Orkney's generating potential.

OHS is concerned that OFGEM has not picked up on the point made by DNV and the local community that the costs of mitigation could be minimised through the rationalisation of existing distribution clutter in the landscape. This could be achieved at a lower overall cost than simply looking at the transmission infrastructure in isolation.

OHS urges OFGEM to remove any pressures on SSEN to come to a panicked and pressurised decision. It sees the extension of the period by which commitment is needed from December 18 to 19 as helpful but is unclear as to why even 2019 is regarded as a cut off.

Finally:

Please note two specific questions OHS is posing as part of this response:

1. Please clarify if there are any particular time based drivers on OFGEM's part that force the pace of the works.
2. Who initiated the idea of cutting a step from the process and so omitting the Initial Needs Case Assessment?

Yours sincerely,

Neil Kermode

Secretary

Orkney Heritage Society is a Registered Scottish Charitable Incorporated Organisation (SCIO) SC004033.