



HOUSE OF COMMONS

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23 January 2019
Our Ref: Norm401/AC/MW
Sent by email to: NTIMailbox@ofgem.gov.uk

Dear Mr. Norman,

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

Thank you for giving us the opportunity to provide our views on the Orkney transmission project and the final needs case and delivery model. A transmission link between Orkney and the mainland has the potential to have a transformative impact on the renewable industries in the islands, and so this consultation is timely and important.

That being said, we remain uncertain as to the basis for proposing a breakeven threshold of 135MW for such a project, rather than the 70MW threshold proposed in SSEN's submission, which we understand to be in line with standard industry norms. This higher level places an unduly onerous burden on Orkney generators compared with generators anywhere else in the UK.

While in the consultation document touches on why the 135MW level was preferred by Ofgem, we believe that the explanation falls well short of a clear justification for such a radical departure from the methodology used in other instances, and seems prejudicial to Orkney's interests and the interests of achieving the renewable energy targets that have been set by both UK and Scottish Governments. We would welcome, therefore, a more detailed breakdown of the methodology used and clear for any divergence from industry standards applied elsewhere.

As you will be aware, efforts to secure an interconnector cable linking Orkney and the Scottish mainland have been ongoing over many years. Without this necessary infrastructure, future renewable energy projects in Orkney will be difficult if not impossible to deliver. This will be to the detriment of the local economy and community, but also undermine the wider ambitions in terms of decarbonising the UK's energy system.

I trust that you find this response helpful and look forward to your response in due course.

Yours sincerely,

Rt. Hon. Alistair Carmichael MP
MP for Orkney and Shetland

Liam McArthur MSP
MSP for Orkney