

Shetland transmission project: Consultation response on the final needs case and delivery model.

I represent the Danish company *Energy Isles Danmark ApS* on behalf of my colleague Jens Betzer Jensen and myself (Mikael Frank). We have both been working in the renewable industry for over 15 years and have been doing business with companies in Shetland. Through our business connections we have been given the opportunity to become shareholders in the Shetland based consortium *Energy Isles Ltd*. *Energy Isles* is a wind project in Yell and therefore it is important to our investment that a large enough transmission link is built to ensure that investment is realised.

We support the need for a transmission connection to Shetland. A 600MW link is not sufficient and therefore we support a larger more economic and efficient 800/1000MW link. A larger link will benefit the Shetland islands community and economy.

Shetland is in great need of a grid connection to mainland Scotland because:

- Due to its power system and isolation, Shetland electricity generation is currently very expensive and is heavily subsidised by GB consumers.
- The renewable energy generation potential in Shetland cannot be exploited.
- Shetland has a very high carbon footprint which could be cost effectively decarbonised with a grid connection and renewable generation.
- Shetland is not able to contribute to Scotland and the UK's decarbonisation goals.
- Existing renewable generation in Shetland is highly curtailed.

The future generation scenarios presented are exceptionally low. The scenarios should also include other technologies such as tidal, floating offshore wind demonstrators and future interconnection to Norway. The largest scenario is only 742MW and there is already 801MW of onshore wind development in Shetland. In addition to Viking's potential 457MW: there is 49MW and 72MW with planning for Mossy Hill and Beaw Field; 200MW planning application submitted for Energy Isles on Yell; 10MW of other projects with planning and 12MW operating. This totals to 801MW.

We believe there will be over 1000MW of renewable generation operating in Shetland by 2035.

The transmission link is vital to the future economy of Shetland, especially as the oil and gas industries are replaced by renewable energy sources. Renewable generation projects on Shetland will benefit the local economy during construction and operation and by the funding from community benefits funds in addition to returns to Shetlanders investing in Shetland renewable projects.

We are concerned that high capital costs will create higher transmission charges and make Energy Isles windfarm a less competitive project, putting its viability and our investment at risk. To minimise this risk, Ofgem should ensure that a larger link is built, ensuring that the final design is the most cost effective.

We do not agree with Ofgem's position to approve a 600MW project. Shetland needs a new transmission link which is appropriately sized, economic and efficient. Ofgem should demand the development of the 800-1000 MW options.

Ofgem has already rejected a proposal for a 60MW link to connect Shetland to the Scottish grid. The current proposed 600MW link is also too small and a larger link should be developed.

Yours sincerely,

Mikael Frank, 31/5-2019

A handwritten signature in black ink that reads 'Mikael Frank'.

Jens Betzer, 31/5-2019

A handwritten signature in blue ink that reads 'Jens Betzer'.