

Dear Mr Norman,

I am grateful to have the opportunity to be able to contribute to OFGEM's consultation on the Final Needs Case and Delivery Model of the Western Isles Transmission Project.

This is an issue of critical importance for my constituency. We have some of the highest utilisable wind resources in Europe. For centuries, this has been thought of as a negative, something to be endured. The renewables opportunities of the 21st century give us a chance to utilise this to a positive end. I believe that OFGEM must give proper consideration both to the enormous socio-economic benefits the proposed Western Isles interconnector would unlock and the importance these projects would have in Scotland's fight against climate change.

As you will be aware from my previous correspondence, OFGEM's "minded-to" position with regards to the Western Isles Transmission link was met with dismay in my constituency. The decision to reject the 600MW option effectively puts the project to construct the interconnector in danger. Given that SSEN would have to resubmit an entirely new needs case for a 450MW transmission link, it is difficult to see how this could happen in time for the coming CfD action for remote island wind.

Renewables projects from the Western Isles have the potential to produce some of the cheapest and greenest electricity in the country while providing up to £2 billion in local and national socio-economic benefit. It is worth noting that the Western Isles are at the forefront of Scotland's drive to empower communities and enable them to make decisions about their own areas. 41 community groups in my constituency now own their own land. This equates to nearly half of the land area and around 70% of our population living on community owned land. Community trusts have a key part to play in building stronger and more sustainable communities and many have done so by establishing their own renewables projects.

Indeed, community energy in the Western Isles has thrived with around 21.5MW of wholly-owned community wind generation now installed and generating green electricity throughout the islands. It is estimated that this brings in around £1.8 million annually which goes towards important projects dealing with issues such as fuel poverty, housing, employment and additional community services. This sector must be allowed to grow and develop which can only happen with a 600MW interconnector.

I hope that OFGEM will take all relevant factors into account, reverse its previous decision and approve the 600MW option.

Yours sincerely,

Alasdair Allan MSP

Question 1: Do you agree that the current network on the Western Isles needs reinforcing in order to connect additional generation?

Yes. There are numerous community organisations and individuals who are intending to develop renewable energy projects. However, due to the current situation where grid connection contracts are only given where there is a matching new demand, they do not feel it would be fiscally prudent to spend limited funds on the various planning and development stages when there is no possibility of getting a grid connection contract.

Question 2: What are your views on the generation scenarios developed by SHE-T? We are particularly interested in views on the likelihood of wind generation on the Western Isles developing to the levels predicted by SHE-T's scenarios.

I believe that SHE-T have undertaken a robust evidence based approach in selecting the generation scenarios used and I believe that OFGEM are underrating the potential for renewable energy generation in the islands.

I would also like to note that whilst the Western Isles are indeed blessed with an abundant wind

resource they are also blessed with an abundant wave resource and a 600MW interconnector will allow for development in this area.

Question 6: What are your views on the following points:

i. Do you agree with our minded-to position to reject the 600MW link conditional on only the two Lewis Wind Power projects securing CfDs?

I do not agree with this position. OFGEM have stated that protecting consumers from the additional costs of funding a potentially significantly underutilised link was their reason for rejecting a 600MW link. However, SHE-T have proposed conditionality conditions which are more than sufficient to protect consumers.

A 600MW connection would help ensure that both the projects currently in the pipeline and these numerous other projects would be able to be progressed. A 450MW connection however would largely be full shortly after construction and would put the islands back to the same position we are currently in. i.e. community projects unable to proceed due to a lack of grid capacity. There is also the fact that a 450MW link would severely hamper the economic case for the two trigger developments and affecting their competitiveness in the upcoming CfD auction.

ii. What are your views on our analysis of the information, which suggests a 450MW link would represent the best outcome for existing and future consumers if only the two LWP projects secure CfDs?

Given the fact that the SS scenario is inappropriate and unrealistic I don't believe that the analysis used to choose a 450MW link is robust. I am especially curious as to why it is appropriate to remove the SS scenario from the Shetland link analysis but not the Western Isles link analysis.

The capital cost for the 450MW and 600MW was originally presented in the Final Needs Case by SHET as £616.8m and £662.9m, respectively. I understand these costs have since been reduced by SHE-T to £596.47m and £623.8m as a result of further ongoing tender exercises for the 600MW link. The price difference of £27 million is incredibly small in comparison to the scale of what is being built and the opportunities provided by increasing the available capacity by a third.

As has been stated, if the 450MW link were to proceed it would be likely be fully utilised in a relatively short space of time. We would then find ourselves in the position of examining options for an additional transmission link, all of which would be in the hundreds of millions of pounds and would cost GB consumers significantly more in the long run.

A 600MW interconnector is the best, most economical option for the Western Isles as well as GB consumers.

iii. Do you consider that consumers could be appropriately protected from the costs of funding a potentially significantly oversized link if we were to approve the needs case for a 600MW link? If so, how could this be achieved?

The conditionality already proposed by SHE-T is more than adequate protection for consumers. Additionally, given the wide scope of interest in further renewables development by both community and commercial interests, I find it difficult to conceive of a scenario in which the transmission link was there but not properly utilised. The debate within communities in the Western Isles has not been about whether or not the interconnector should go ahead; it is about whose projects should go ahead and this reflects local anxieties that there will not be enough space for all the projects which wish to connect.

It is also worth pointing out that efforts to realise this project have been ongoing for a decade and have faced significant hurdles and challenges to the extent many of my constituents remain pessimistic that this project will happen. I am confident that once potential developers have the confidence the transmission link is proceeding, we will see even more interest expressed.

Alasdair Allan
MSP for Na h-Eileanan an Iar
alsdair.allan.msp@parliament.scot
01851 700357
20 Kenneth Street, Stornoway, Isle of Lewis, HS1 2DR
To sign up for my newsletter, please click [here](#)