

## **Western Isles transmission project: Consultation on Final Needs Case and Delivery Model**

### ***Response by Urras Oighreachd Chàrlabhaigh***

#### **Summary**

Urras Oighreachd Chàrlabhaigh (UOC) is a community landowner on the West Side of the Isle of Lewis. Since taking ownership of the estate in 2015, UOC has been working to develop projects on the estate including exploring renewable generation opportunities. Like other community groups in Lewis and Harris, UOC has come up against the issue of grid capacity and the significant cost of securing grid connections.

UOC supports the development of a 600MW interconnector which will allow for community renewable projects to be developed. UOC does not believe that the 450MW option supported by OFGEM in its minded to decision will unlock the potential of community renewable generation in Western Isles as a result we are unable to support this proposal.

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

Yes. The current network has reached capacity for all but the smallest projects (3.68kW per phase). This situation has restricted the development of community renewable projects in the Western Isles and has had a detrimental effect on the development of community groups in the area. A new cable without the capacity to allow for the significant number of community led renewable projects to gain grid connections would not be a positive move.

**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.**

We are satisfied that SHE-T have undertaken a wide range of generation scenarios. We feel that GHD-S3 and GHD-S4 are both realistic generation scenarios and GHD-S4 is certainly likely to be realised if the capacity is available. The Western Isles has a wealth of generation potential in the form of on shore wind along with potential for the development of other technologies in the near future including the roll out of commercial floating offshore wind and the development of wave generation of the west coast of Lewis.

A multitude of well-established community organisations in the Western Isles are enthusiastically pursuing opportunities to develop renewable electricity schemes which will provide income streams to help deliver transformational change to their respective areas. The only thing stopping these projects moving forward is the lack of grid capacity.

OFGEM should acknowledge that at this stage these community organisations do not have the same financial capacity to progress their developments to the same point as commercial developers due to the risks involved without an interconnector in place. Existing community projects demonstrate the ability of community organisations to finance and deliver large scale renewable energy projects when grid capacity is available.

These reasons highlight why it is justified and vital that a 600MW interconnector is installed to allow capacity for the growth of community renewable projects.

**Question 3: What are your views on SHE-T's approach to optioneering, specifically relating to the routes and link capacities considered, and are there other options that SHE-T could have considered?**

We would like to have seen an upgrade of the Harris to Skye link considered as an option. This could become a viable alternative option if the large Lewis Wind Power projects do not proceed, allowing wholly community owned projects to move forward.

We are also concerned that the generation which is currently carried on the Skye cable could be transferred to the new cable using up even of the proposed 450MW link capacity, leaving even less space for community renewable projects.

**Question 4: What are your views on the CBA put forward by the ESO, particularly in relation to the results it produces?**

We support SHE-T's position that the steady state scenario should be removed from CBA. Steady State is not a realistic possibility, with safeguards already in place to prevent this situation developing. By removing the steady state scenario, it is clear that the 600MW option is the best option.

We would like to see the socio-economic benefits of the link being taken in to account rather than purely basing this decision on the, largely theoretical, CBA. The Western Isles has a very fragile

economy and the 600MW link, through the development of community renewable projects will provide tangible economic and social benefits to people in the Western Isles. A 450MW link will not deliver these benefits to the same extent.

**Question 5: What are your views on the technical design and costs of the proposed Western Isles link?**

Cost should be reduced where possible but OFGEM should acknowledge the added cost of construction in the remote and challenging terrain and seas the link will encounter on its route from Stornoway to Beaulieu.

Retendering of the work should be avoided as this will affect delivery timescale and risk projects being disadvantaged in the CFD auction.

**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?**

No, again, this position largely ignores the large number of community projects which would be able to move forward with their developments with the assurance that the 600MW link would be delivered.

**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?**

As outlined in our answer to Question 4 we feel that the analysis of the 600MW proposal has been too heavily weighted towards the CBA. The decision making process has ignored the massive socio-economic benefits to the Western Isles a 600MW link would bring and the comparatively low socio-economic benefit of the 450MW link. The 450MW link would be close to capacity very soon after construction with the capacity almost entirely being taken up by developments led by multi-national corporations bringing less benefit to the Western Isles. This disparity between the wider benefit associated with each link shows that the analysis which led to OFGEM supporting the 450MW link is flawed.

It is also clear that the 600MW link provides better value for the consumer. More capacity will be delivered for relatively less cost and that extra capacity will deliver wider benefit by allowing community renewable projects to proceed.

**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?**

We are convinced that a 600MW link would not be oversized. The spare capacity over and above the already contracted large schemes would soon be taken up by community projects. OFGEM should recommend that government support is given to the development of community renewable energy

projects particularly in areas like the Western Isles. This approach will ensure that consumers are protected and that communities in the Western Isles receive maximum benefit from the new link.