

**31 May 2019**

**Western Isles Transmission Project: Consultation on Final Needs Case and Delivery Model**

**Consultation Response by the Western Isles Development Trust (Scottish Charity SC044637 and a Company Limited by Guarantee SC271462) ("WIDT")**

**Introduction**

1. WIDT is a registered charity set up in 2004 to support regeneration and development in the Outer Hebrides through the disbursement of community benefit secured from the local deployment of renewable energy installations. When WIDT was established it was envisaged that the community benefit would derive from a range of technologies, predominately onshore wind, offshore wind, wave and tidal. Over time and as grid connectivity was to allow, WIDT was to expand its activities to support community ownership of large-scale renewable energy infrastructure with the objective of addressing fuel poverty through access to locally generated 'green' electricity.
2. The WIDT has wide objectives which are as follows:
  - i. the advancement of citizenship and community development including, without limitation, urban or rural regeneration, maintenance and improvement of the physical and social infrastructure within the environs of the Western Isles (the "Western Isles Community"), including supporting the aspirations of local communities and the provision, maintenance and improvement of recreational facilities;
  - ii. the prevention or relief of poverty in the Western Isles Community, including, without limitation, the provision of support and grants to organisations and individuals working to prevent or relieve poverty including through energy efficient schemes;
  - iii. the advancement of environmental protection or improvement, including, without limitation, supporting a forward-looking environmental enhancement approach and the provision, maintenance, and improvement of environmental facilities;
  - iv. the advancement of education including, without limitation, the provision, maintenance and improvement of educational facilities and raising awareness in relation to energy and energy-related issues that are driving global, national and local change; and
  - v. the advancement of the arts, heritage, culture or science including, without limitation, the provision, maintenance and

improvement of recreational and cultural facilities and raising awareness of the Gaelic language.

3. To date WIDT has been successful in securing annual donations from 3 community-owned windfarms and one privately-owned windfarm. These donations are valued however the income is not sufficient to allow WIDT to support charities in the Western Isles whose needs would meet the objectives above. Due to limited income the WIDT has restricted its funding criteria to the following:
  - i. Support the alleviation of fuel poverty; and
  - ii. Promote renewable energy schemes.
4. Although restricted the income received has allowed WIDT to broaden the benefit of windfarm projects across the Western Isles to areas unable to benefit directly from such windfarms.
5. Since September 2015 WIDT has committed to support over 20 projects in the Western Isles to a value of over £232,000 in grant payments and £45,000 in low interest loans. The projects supported include: renewable heating installations for premises of a number of charitable bodies; financial support to allow financial close for a 1.8 MW community owned windfarm; support for innovative research to find ways to alleviate fuel poverty in the islands and a recent grant and loan to finance an ornithological study required for a potential large scale (30 MW) community owned windfarm.
6. WIDT was established in order to benefit from large scale windfarm projects dependent on the Western Isles Transmission Link. If these projects proceed they will enable WIDT to increase its support for good causes exponentially. It would allow WIDT to broaden its criteria extensively and help to support further community owned renewable energy projects in the future.
7. WIDT is clear that it is imperative that communities should be supported to take advantage of the significant wind and wave resources available in the Western Isles. It is concerned that these transformational benefits might be lost due to Ofgem's minded-to position to reject the 600MW link. The WIDT understands that such a position could mean that the Lewis Wind Power projects become uncompetitive and therefore might not be able to proceed. Even if those projects were to go ahead, the reduced capacity proposed would seriously restrict the potential of communities in the Western Isles to benefit from future community windfarm projects. WIDT therefore does not agree with Ofgem's minded-to position and is clear that to enable communities in the Western Isles to benefit from the renewable energy resources the 600MW link should be supported.

## **Questions**

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

Yes. The island network is currently closed to new connections and without the Western Isles Transmission Link there is no prospect of future connections securing a route to market. Such a position is preventing the communities of the Western Isles benefiting from the renewable energy potential of the islands.

**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.**

No comment.

**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?**

No comment.

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

No comment.

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

No comment.

**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. In order for the Western Isles to benefit from renewable energy resources available the link should be 600MW. As stated above, the WIDT understands that such a position could mean that the Lewis Wind Power projects become uncompetitive and might not proceed. Even if those projects were able to proceed, the limited reduced capacity proposed would seriously restrict the potential of communities in the Western Isles to benefit from future community windfarm schemes. WIDT is clear that to enable communities in the Western Isles to benefit from the renewable energy resources the 600MW link is required. The Western Isles should be supported to realise its potential in this

regard to improve the lives of residents and assist in government targets for the reduction of carbon emissions.

**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?**

It is understood that this analysis is based on a short term view and would fail consumers over a longer period.

**iii. Do you consider that consumers could be appropriately protected from the cost 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?**

It is understood that a 600MW link would be better for consumers over the longer term.

**Question 7: Do you agree with our assessment of the Western Isles project against the criteria for competition?**

No comment.

**Question 8: Do you agree with our proposal not to competitively tender the Western Isles project using the SPV model or under our CATO framework unless there are significant delays to the delivery timelines?**

No comment.

**Question 9: Do you agree that the Competition Proxy Model would deliver a favourable outcome for consumers relative to the existing SWW delivery arrangements?**

No comment.

**Question 10: What are your views on the way in which we have applied project specific updates to the Competition Proxy Model methodology to account for the specific characteristics of the Western Isles project?**

No comment.

**END.**