



We are a Shetland and Yell based company who has a keen interest in the renewable sector and Shetland as a whole.

We believe that Shetland has so much potential in the renewable sector and it is only going to expand over the coming years. Shetland has a great chance here to prosper and grow as an island with Wind and Tidal power.

We have a high carbon footprint here in Shetland and it is so important to try and do everything we can to try and reduce this for future generations. We have invested in Energy Isles wind project in Yell. We believe that this will be a major step forward in reducing Shetlands carbon footprint and also making Yell a much more viable community for the future. Energy Isles being in Yell will be a major asset for the island creating jobs and employment for the future generations and helping with the depleting population. It will be able to help with future projects in Yell with investment in community projects and making Yell a much more viable community.

We support the need for a transmission connection to Shetland so we can export as much potential energy as possible. A 600MW link just isn't big enough for Shetland to export all of its potential energy. We are in dire need of a grid connection to mainland Scotland because of our ageing diesel power station in Lerwick which is very polluting and long overdue for replacement. Shetlands electricity generation is currently very expensive and heavily subsidised by GB consumers. At the moment no new renewables projects can connect to the grid.

We note that the highest scenario within the consultation is 818MW as compared to 704MW in the previous consultation. We think this is an improvement.

However, as local developers, we still think this is an underestimate. It seems unrealistic to forecast that generation would not grow beyond year 2026, especially given Scotland's legislated 2045 Net Zero.

We would have preferred to see a larger interconnector in order to cater for longer term renewable energy generation growth in Shetland, but given the choice between a 600 MW interconnector and no interconnector, we strongly support the 600 MW link.

With regards to the proposed mitigation options – we believe that the SHE-T statement in 2.40 is unacceptable and contradicts the Cost Benefit Analysis (CBA) presented. The CBA itself shows that,

even if demand does not materialise, no mitigation is necessary until generation exceeds at least 818 MW.

Further, the CBA clearly shows that in all scenarios (without having to apply mitigation measures such as ANM or Queue Management) it is cheaper for the consumer to connect at least 818MW of generation to the 600MW link rather than it would be to build an 800MW link (which from the previous consultation document had an additional capital cost of ~7%).

Any proposal by SHET to build a new link (at an additional capital cost of at least 100%) for anything less than 818MW of generation would be contrary to the Least Worst Regrets analysis presented in the CBA.

In fact, given that the CBA selects a 450MW link as the best option for connecting 818MW of wind in several cases/scenarios, we would expect a 600MW link would be the best option for connecting $818/450 \times 600 = 1091$ MW of generation with constraints payments to impacted generators would be the best value for consumers before any consideration of an additional HVDC link.

We believe that turning off viable and economic renewable energy generation because the proposed link is too small is completely unacceptable unless impacted generation is compensated via constraint payments.

Ofgem and SHET are basing the size on new demand. If the new demand does not materialise in a timely manner then we would expect Ofgem, SHE-T and NGESO to fulfil their commitment and to make constraint payments to the impacted generation

We do not understand how SHE-T can propose this as a mitigation when this is not within SHE-T's power and is instead a role for the market, therefore we disagree that this is a relevant mitigation.

We categorically reject this option. The process has not been developed or achieved industry or regulatory approval.

An 800 MW converter station at Kergord would be the same size as the existing 800MW converter at Spittal which should be a lower cost design and delivered more quickly.

Please note, we are not asking for a larger interconnector than the 600 MW model proposed or for the project to be delayed in any way. We are in full support of the size and timeline.

What are saying is that an 800 MW converter station at Kergord would be more cost-effective and is possible within the proposed timescales.

We are strongly supportive of this position, provided that Ofgem, NGESO and SHE-T follow the CBA which clearly shows that the 600MW link can connect at least 818MW of wind generation with constraint payments as the lowest cost scenario (even with no additional demand) and that the SHE-T statement in 2.40 must therefore be rejected.

In their response to this consultation Ofgem should make it clear to SHE-T that the CBA shows that there is no case for a second HVDC link until at least 818MW generation has connected.

Yours Sincerely