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16 June 2020

Dear James

**Citizens Advice response to Ofgem consultation: Shetland transmission project:
Consultation on proposed Final Needs Case and Delivery Model**

We are pleased to be able to respond to this consultation. Citizens Advice has statutory responsibilities to represent the interests of energy consumers in Great Britain. This document is entirely non-confidential and may be published on your website. If you would like to discuss any matter raised in more detail please do not hesitate to get in contact.

We have not directly addressed the questions within the consultation. Our general response to the consultation is below.

We broadly support Ofgem's minded-to position which is contingent on Viking Energy Wind Farm (VEWF) being built.

A transmission connection to Shetland from the mainland could be beneficial for people living on Shetland, GB consumers, and the drive towards net zero emissions by 2050 or sooner. We previously supported proposals by SHEPD to contribute toward the cost of the Shetland transmission link.

As discussed in the CBA section of the consultation document, the benefits of a 450MW link compared to a 600MW or 800MW link are finely balanced, but we agree with Ofgem's proposal to approve a 600MW link. We believe that this is a proportionate decision which allows headroom for further projects connecting on Shetland, but sufficiently protects consumers from paying for underutilised assets. Having said that, there is a significant cost differential between the 450MW project and the 600MW project (£42m), therefore firm evidence that VEWF will be built should be required. Firm proof of Final Investment Decision by VEWF's developer should be required as an absolute minimum, and we

support the requirement of the additional evidence steps you have outlined, such as the key development milestones.

Given the new information available to you and the analysis you have presented, we agree that moving from a Competition Proxy Model and back to the default RAV-based RIIO model should result in a better outcome for GB consumers. We note that it is consistent with your approach to the Hinkley-Seabank project.

I trust that this response is clear, but would be happy to discuss any matter raised within it in more depth if that would be helpful.

Yours sincerely,