

James Norman
Head of New Transmission Investments,
Ofgem.

Dear Mr. Norman,

Shetland Transmission Link Consultation (2).

It is my understanding that Ofgem is an independent National Regulatory Authority whose principal aim is to ensure a secure supply of electricity or gas to the UK customer at a reasonable price.

I am very grateful to be able to respond to issues for your consultation and appreciate your time in reading them.

The Shetland Islands have a population of approx. 23,000. Because of its geographical location at times it must be a thorn in the flesh of UK governments, authorities and organizations. Many statistics and costings must be quite unique in relation to similar situations on Mainland UK.

Question 1: What are your views on the generation scenarios developed and updated by SHE-T? We are particularly interested in views on the likelihood of wind generation on the Shetland Isles developing to the level predicted by SHE-T's scenarios and any further changes or updates since SHE-T's October 2018 Final Needs Case submission that you think should be considered.

I find the wind generation calculations incomplete as it seems as though only data from 2013 used. There is data available from a number of other years however using online data I see that 2013 is unique to the other years being without peaks and troughs perhaps giving the ideal conditions for steady wind generation. I think that all data should be used and run through the Monte Carlo simulation to give a more accurate conclusion

Question 2: What are your views on the demand sensitivity explored by SHE-T?

I find this could be very over stated. The North Sea oil industry is basically closing down. The developments to the west of Shetland, well one in particular for the Clair field is on hold at the moment. Gone are the days of the oil industry rolling in wealth, the price of oil is dictated by many global situations from over production, war, even viruses. Although they may have a desire to improve their carbon footprint the cabling of electricity to the installations I believe would be extremely expensive plus the actual cost of the electricity could be quite prohibitive. They may choose to off set their carbon by other cheaper methods.

Question 3: What are your views on the link options considered by SHE-T? We are also interested in views on the options proposed by SHE-T to mitigate against the risks of a second link being needed.

The link options to me seems to exclude all other options. Surely to be fair and independent all options must be looked at. The proposed LNG power station in Lerwick would require

no link. This would supply the needs for the population of the Shetland Isles. The only requirement for a link would be for the purpose of exporting electricity to the Mainland UK from VE wind farm.

Question 4: What are your views on the technical design and costs of the proposed Shetland link?

I cannot make any comments on the technical design, I would just be interested to know the life time of the cable? Who would carry out repairs and replacements? Costs. Well everything is more expensive in Shetland than on Mainland UK not only because of it location but the risks and disruptions through inclement weather. It seems to be the norm that sizable projects world wide are over budget and well behind proposed completion time. All these expenses will eventually be paid for by the UK consumer.

Question 5: What are your views on the CBA put forward by the ESO?

Again I feel for this to be fair and independent all options should have been included. In 2014 a £200 million replacement power station was seen to be too expensive. One would think that a now £60 million LNG power station would merit being taken into account. The final possible bill for wind farms, interconnectors etc etc must be well beyond a billion. If ONLY a connector link is to be considered excluding all other option I feel the 800MW one is of better value.

Question 6: What are your views on other approaches we have taken to assess the costs and benefits to GB customers?

I feel the best option is the LNG power station to supply Shetlands electrical needs. I very much doubt if electricity generated from wind farms in Shetland for consumption on the UK Mainland would be particularly cheap. Wind generated electricity is not a reliable source of power and is therefore unsuitable as a base supply of energy. The level of constraint payments made to Wind Farms are very considerable, this is money basically for nothing. This can be of no benefit to GB customers as this burden finally falls on them.

Question 7: What are your views on our minded-to position to conditionally approve the revised Final Needs Case? Specifically:

- 1) *Do you agree with our proposal to approve a 600MW link subject to Ofgem being satisfied, by the end of 2020, that Viking energy Wind Farm is likely to go ahead?*
- 2) *Do you have any views on the type of evidence we should expect to see that would confirm that VE is likely to go ahead?*
- 3) *Do you agree with the factors we have considered to reach our minded-to position?*
- 4) *Are there any other factors that you consider we should take into account when assessing this proposal?*

1). No. Clearly both are dependant on each other no VE no link, no link no VE. I believe that Ofgem should stand by its principles and look at all options to provide the best secure supply of electricity at a reasonable cost to the customers. Also to demonstrate my ability to look at all options. If Ofgem is determined to exclude all other options but to link Shetland to the UK mainland the 800 MW is the wisest choice.

2) I would imagine that the only evidence you could get would be financial.

3) No. From a replacing a small power station for a population of 23,000 to constructing an huge wind farm and connecting Shetland to the Mainland UK is an enormous leap. I do not feel the enormous amount of money to be spent on this project is the best value for the customer.

4) Climate, Carbon footprints, these have certainly been the buzz words of the decade. It has also been a golden opportunity for businesses. Grants, subsidies, all manner of money thrown at "green" developments. Renewables - free energy from wind - clean - smart, we hear all this. However on closer inspection many are not as green as we the public are led to believe. Now in this drive for green energy and zero carbons there has been a headlong rush perhaps not the measured approach that should have been taken. The problems that the inconsistency of wind brings to the National grid. The continued need for a steady base of electricity being generated by fossil fuel as wind farms are actually not reliable as they are at the mercy of the wind. The most shocking is the granting of permission to construct Wind Farms on peat moorland. Peat that stores centuries of carbon to be dug up to generate electricity to reduce our carbon footprint. Really? I read about peat storage (it is not only the peat but the flora that completes the cycle), reinstating etc etc, ask any independent peat expert and you will be told this is ineffective. I believe that VE will be carbon negative. Whether you take jobs and financial benefits to Shetland into account I am not sure. However the fact that VE claims there will be these benefits makes it relevant. On all large project that have taken place in Shetland the vast majority of contract construction work has been given to Mainland businesses. I agree that in turn they will sub contract some local firms. But without question the lions share of work and money goes out of the island. Also these types of projects tend to create a boom bust effect. Just as an example while Total was constructing its Gas plant an accommodation unit was built to house incoming workers. It was given temporary planning permission and was to be dismantled after work finished. Now equally a number of hotel in Shetland are struggling (nothing to do with Covid). The owners of this temporary unit applied to extend it permission to operate. Our planning office declined after receiving a number of objections from local hotels. This was overturned by the Scottish government as " this accommodation may be required for Wind Farm construction workers." So the reality is that clearly workers will be brought in and accommodated within premises owned by a UK Mainland business. I believe that the final effect of VE will be negative to the local economy. Tourism is a very large industry here. They come for the experience of nature, the unspoilt landscape, the wildlife etc I am absolutely convinced that hilltops covered in enormous rotating wind turbines will destroy this. Shetland is a long narrow island there are no hinterlands these wind turbines will be inescapable. Lerwick is extremely popular with cruise ship. Last year I believe there were 93,000 visitors to Shetland off the cruise ships. Even with the shocking publicity of Covid quarantined cruise ships I am sure the industry will continue to grow. I see an opportunity for Lerwick to be a LNG terminal where ships can refuel. This would certainly be a more steady and guaranteed form of jobs.

Question 8:

Do you agree with the finding of the analysis?

No

Question 9:

Are there any additional factors that we should consider as part of our analysis and/or decision on whether to apply the CPM for the Shetland Transmission project?

No

I implore you to consider all options with independent fair judgement. To decide on the best possible outcome for the population of Shetland and the UK customers.

Thank you for reading this.