

OFGEM  
The Office of Gas and Electricity Market  
10 South Colonnade, Canary Wharf  
E14 4PU,  
London  
UK

Your ref.:  
Cathryn Scott

Our ref.:  
340/let\_Respond to SWW Final Needs Case.docx

Date:  
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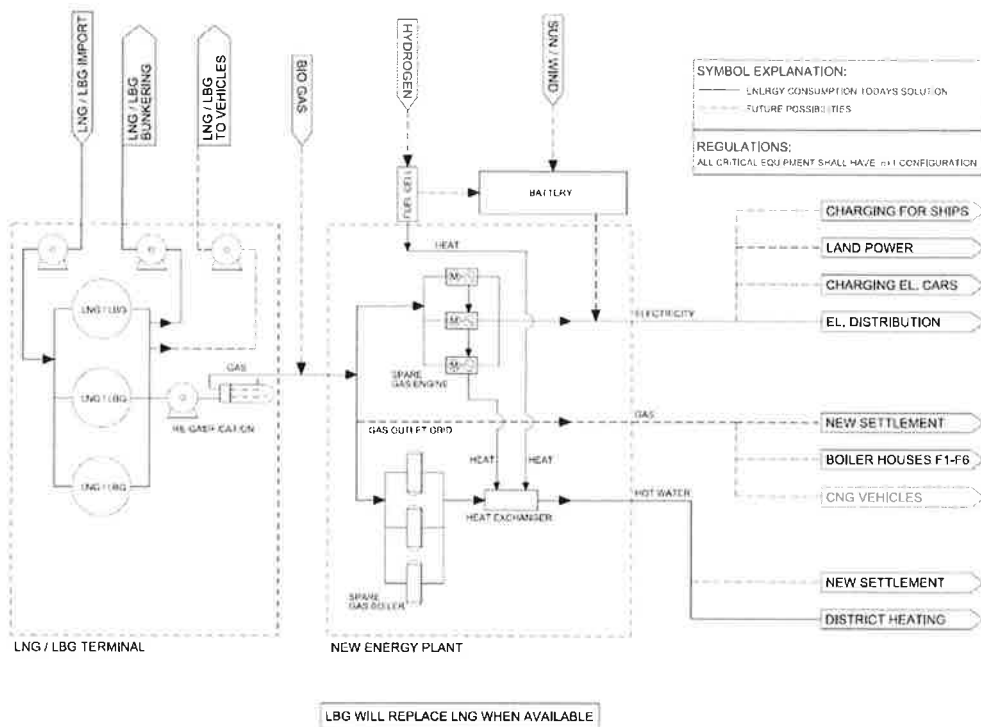
## ► Response to SWW Final Needs Case for the Shetland electricity project and potential next steps letter

Dear Ms Scott,

In your recent publication "*Final Needs Case for the Shetland electricity transmission project and potential next steps*", you invite comments and suggestions.

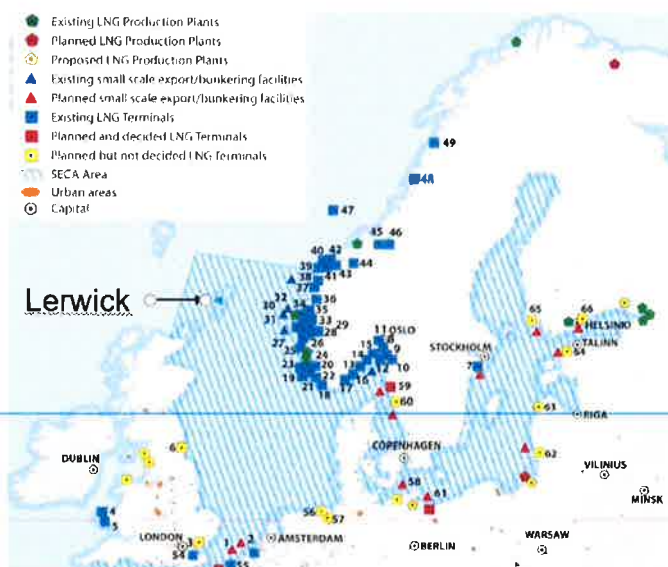
We; a Norwegian / UK group involving Rolls Royce, Shell-Gasnor, Ocean Kinetic, Norconsult and Incoteco take this opportunity to presents our self and respond to your invitation to respond with this letter.

As some of us were involved with the early tender in the original powerplant which led to several presentations of the Norwegian solution to different stakeholders at Shetland and in Scotland, we believe it is time to again focus on the dedicated Lerwick plant and the potential it will give for future development on the islands. What we will present is a simple and relatively low-cost generation solution, that conforms with the original objectives of OFGEM enunciated in your 2014 project "kick off" slide show. The solution mainly revolves around the use of re-gasified LNG, as the primary fuel for a new thermal power station in the vicinity of Lerwick Port where a new LNG receiving terminal will be built. This terminal can also bunker an increasing fleet of North Sea vessels visiting Shetland that have already been converted to the use of LNG. The new terminal could enable the wider-spread use of gas for vehicular traffic, industry and even home heating, in place of ultra-low sulphur liquid petroleum fuels. See figure on the next page.



Shetland's supply of LNG will be integrated with the large, mature and highly successful LNG infrastructure just a day's sailing from Norway's West Coast.

This delivery system will from early 2020 include the Scottish west coast were one of the partners; Shell-Gasnor will start supplying LNG to the new terminal in Kyleakin at Isle of Skye. See figure below.



The proposal is to lever the extensive knowledge built up in Scandinavia during the last twenty years. The concept is based on establishing a complete new powerplant including a bunkering facility that will reduce both climate and environment emissions in addition to reducing the cost for the islanders.

In addition, this solution will facilitate the future integration of new renewable energy supply and local storage such as latest battery storage technology.

The group will take the full responsibility for delivering the complete solution considering existing situation at the island.

This is an introduction letter showing our commitment to OFGEM. Our intention is to present a business plan for you and SHEPD showing the concept in detail.

Best regards  
**Norconsult AS**

Below is link containing more information of the partners.

- Rolls Royce Bergen – <https://bergen.rolls-royce.com/>
- Gasnor - <https://gasnor.no/en/>
- Norconsult: <https://www.norconsult.com/>
- Ocean Kinetic - <https://www.oceankinetics.co.uk/>
- Incoteco . <http://www.incoteco.com/>