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Shetland Transmission Project: Consultation on Final Needs Case and Delivery Model

Dear Sir,

I responded to this consultation last time round, that submission still stands and is also attached.

The environmental issues have been well aired and in my opinion won by the opposition to the Viking Energy wind farm, it is not a carbon saving project being built on deep peat and blanket bog! Due to the requirement of a long subsea interconnector cable it is also not economically viable. These points were all made in my first submission.

Moving on to this further consultation I note with deep concern that Ofgem no longer acts in a regulatory role. Since the appointment of your new CEO Jonathan Brearley in February 2020 and his first move to publish the Decarbonisation Programme Action Plan, you are no longer independent but instead fill a role to achieve the 2050 Net Zero target at whatever cost to the electricity consumer. I am at a loss as to how this shift in your remit has been allowed!

Ironically, noting you now strive to achieve Net Zero (at the expense of the consumer) it is doubly concerning that you have not taken onboard that building wind farms on deep peat and blanket bog will in fact increase carbon emissions. No amount of habitat management plans and manipulation of the economics will gloss over that. Therefore you are in fact failing spectacularly in your new role as well!

Moving on specifically to the current consultation I am bemused by your manipulation of the economics creating hypothetical scenarios in what can only be an attempt to justify the development. This is best illustrated in National Grid's document on the Cost Benefit Analysis:

"2.5 The counterfactual

The savings approach taken necessitates the definition of a 'do nothing' option to compare the constraint costs against; it is therefore possible to demonstrate the savings obtained by constructing a cable. The implication is that if SHE Transmission were to not construct a cable, and Shetland generation were constructed anyway, the ESO would be obliged to constrain off all generation on the island for its lifetime at a considerable cost."

To introduce this level of manipulation into the economic model is ludicrous and is putting the cart before the horse. It also gives Scottish and Southern Electricity the opportunity to apply questionable pressure on Ofgem to approve the cable. This is further illustrated by SSE's cynical press release on 17 June that they have approved their financial investment; the penultimate day to the consultation deadline! Have you ever considered you are being played?

Further to this, to present documents with such extensive blanket redactions makes a mockery of your consultation.

Constraint payments are already significant to the extent that they have become part of the business model for electricity suppliers. This is very serious to the UK consumer and must be addressed and stopped. They certainly should not be available to a company which is financing on a 'merchant' basis without subsidy.

The annual costs incurred in the Balancing Mechanism referred to as Balancing Services Use of System (BSUoS) shows a figure of £367m in 2002 before the rapid expansion of renewable generation. National Grid ESO's estimate for 2020/21 was £1,478m but with decreased demand and subsequently more constraint payments due to Covid-19 this has now been upgraded to £2,000m. This is an astronomical increase and given current policy is only set to get worse.

I will not labour unnecessarily as I have zero confidence that you will pay the slightest attention to anything remotely resembling common sense, I also need to get out and cut the grass before the rain starts.

Suffice to mention that in looking at all the alternatives to electricity supply for Shetland, you did at the last consultation fail to look at the proposal for a gas fired power station sited in Lerwick. This has now been offered once more in the form of an LNG powered station and terminal from Danish specialist suppliers BWSC and Gasnor a Shell owned subsidiary. This is estimated to cost approximately a tenth of the wind farm and interconnector proposal. Now there's a saving for the consumer, oops sorry was forgetting that isn't what you're about these days.

The benefits of this are enormous, providing security of supply, low emissions, and a route into the supply and expansion of LNG powered vessels, hopefully beginning with our life line ferries. All this will provide real carbon savings at a tenth of the cost of the wind farm and interconnector. A state of the art power station will also lend itself to Shetland being able to develop renewables locally but on a scale fit for the Shetland landscape and habitat. Waste heat from this station would also be able to supplement Lerwick's district heating scheme which is a carbon saving initiative implemented by Shetland Islands Council some years ago. Have you heard of it?

Finally should this utterly inappropriate proposal go ahead you will rue the day as will SSE. Building over these undulating hills on extremely deep peat and blanket bog will be extremely challenging to say the least. At best it will overrun capex predictions and time frame and will be the biggest public relations disaster for wind farms to date. The damage to the hills and existing roads will be enormous and being built cheek by jowl within the community it will be closely scrutinised.

Yours faithfully,