Internal Only

Dear Ofgem Heavy Scrutiny Team,

The proposed £371m spend on the Orkney Transmission project, to connect only up to 220MW of generation represents a considerable waste of money, this is not a reasonable cost increase.

At this cost, by my rough estimation, it would make the onshore generation capacity in Orkney cost more than an equivalent amount of offshore generation, and if these projects were made to account for the full cost of connection they would not be viable.

It would be more efficient to spend an equivalent sum connecting individual large offshore generation projects directly to the grid, without the complexity of the large number of individual network components in this project. It makes no sense to connect a few small scale generation projects with such complex and expensive infrastructure.

The complexity also creates significant risks of connection interruption, due to the number of separate components involved (noting that the most recently completed subsea cable to orkney has been inoperable since its completion as an example of how these systems can fail).

These small projects have been selected and encouraged by the Orkney Islands Council specifically to create a supposed needs case for this connector due to political objectives, but when considered as a whole, they will not present value for money to electricity bill payers or taxpayers.

The transmission project makes no sense whatsoever as an overall investment, regardless of stakeholders attachment to their sunk costs.