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Chair: Frank Hay  
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#### **Consultation – RIIO-2 Re-opener Applications 2024 Draft Determinations – ET Annex 4. SHET Gremista GSP Project under LOTI Re-opener**

I refer to the above "consultation".

In regard to the Gremista GSP project the outcome of this consultation is even more likely to be a foregone conclusion than previous consultations involving Shetland, since work on this project is well under way. It should have been included as part of the inter-connector from Caithness to Shetland project since it is an essential part of the energy solution for Shetland. Having agreed to the inter-connector it would make no sense not to include approval of the Kergord-Gremista cabling and the GSP.

Having agreed to approve the inter-connector to Shetland, which enabled the Viking Windfarm, we now find that windfarm is being constrained off regularly. This is due to grid inadequacy further south, which should have been foreseen by Ofgem. The constraint payments are of course ultimately added to consumers' bills. SSE, as network operators, would have been well aware of the issues. They pressed on with Viking in the certainty that they would gain financially whether or not the windfarm was actually operating. There is clear evidence here that Ofgem are not looking for value for money to energy consumers. It is high time that they did.

In the reasoning behind agreeing to an inter-connector to Shetland there was an implication that Lerwick Power Station would close but in fact it will remain on standby. It will still have to be properly maintained and manned so any savings will be limited to a reduction in fuel costs. Once again, value for money to consumers of the New Energy Solution for Shetland is very doubtful.

Throughout all of the planning of the New Energy Solution for Shetland it appears that SSE or its various subsidiaries have enjoyed favoured status and within this consultation there are further indications of that. Approval of further expenditure is likely to be necessary for a battery park at Lerwick. This is of course the subject of another consultation, currently still open.

## Questions

ET.Q4. Do you agree with the need for investment for the SHET Gremista GSP project?

*See above.*

ET.Q5. Do you agree with our conclusion on the options considered and the CBA?

*There is little choice when the project is well under way; you are dealing with a fait accompli.*

ET.Q6. Do you agree with our proposal to retain the Gremista GSP project within the LOTI arrangements under RIIO-ET2 as opposed to funding through a late competition model?

*This would seem to favour SSE in that it is likely to speed up approval. The competition model is not in the interests of SSE.*

ET.Q7. Do you agree with our proposed approach to Large Project Delivery for the Gremista GSP project?

*The piecemeal approach to this has been highly unsatisfactory. SSE appears to have led Ofgem into approving more and more expenditure.*

ET.Q8. Do you agree with our draft determination to approve the Final Needs Case of SHET Gremista GSP project?

*This whole project should not have been approved without considering the cost implications in full but, given the stage that it is at, you have little choice.*