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On behalf of Sustainable Shetland I wish to respond to the consultation on the "Proposed regulatory funding and approval framework for onshore transitional Centralised Strategic Network Plan 2 projects,"

Over the past few years Sustainable Shetland has responded to a number of consultations and studied the actions of Ofgem in relation to energy developments on Shetland. Most of these so called consultations appeared to be little more than token gestures with few, if any, changes to the original proposals made by Ofgem. This "consultation" would appear to be from the same mould where it is anticipated that there will be no major changes. This is confirmed by a very tight timescale for responses. However, with billions of £s of energy consumers' money at stake perhaps a more cautious approach would be a better option.

I shall respond to the consultation on the aspects that apply to Shetland with general remarks about other aspects of the consultation.

Here in Shetland there is a particular concern about the proposed fast tracking of approval for a second inter-connector to Shetland. The experience of the construction of the Viking Windfarm leads us to believe that there will be significant opposition to yet more industrialisation on these islands and to windfarm developments on rich fishing grounds around Shetland.

Therefore, we do not consider that it is a foregone conclusion that a second inter-connector to Shetland will be fully utilised. At the very least, an early green lighting for such a cable would be irresponsible. It must also be highlighted that a second cable with the capacity and route as described will be very expensive, billions of £s in fact. You need to be very sure that this level of expenditure will be fully justified.

I refer to these quotes:

*"5.21 Whilst we recognise that this project is currently at a very early stage of development, we have a high degree of confidence that a second HVDC link to Shetland will be needed. We understand that SHET requires confirmation of project need and that it will be the delivery body before it is able to commit to long-term agreements with the cable manufacturer.*

*5.22 Consequently, we are proposing to confirm the project need by putting it into the Delivery track, confirming SHET as the delivery body, and providing PCF as per the Delivery track arrangements proposed in Chapter 4. "*

We strongly disagree with the proposals as described in sections 5.21 and 5.22. It seems quite clear that if the proposals outlined here are approved then a second inter-connector to Shetland is likely to be a done deal, if that is not the case already.

With that in mind, I now refer to a report in the online Shetland News (29/08/24) concerning Viking Energy and future developments on Shetland. The following is what Alistair Phillips-Davies, chief executive of SSE, is reported to have said:

*"Philips-Davies added that with spare capacity left in the 600MW interconnector and the prospect of a second far larger subsea cable being built in the near future, the company "would be very interested to be doing further developments in the islands".*

*"We will definitely be going to do the second transmission link," he said, "and talking to Heather [Donald] [SSE Renewables' director for construction and development of onshore wind projects in the UK and Ireland] earlier, [I know] she's got her eye on bits of land for possible developments going forward."*

This would appear to confirm our suspicions that a second inter-connector is a done deal already.

Despite our pessimism about the outcome, we still feel that the Shetland - Coachford project should stay on the development track until there is much more certainty about network requirements.

Also in the press this week has been the topic of constraint payments, due to inadequacies in the transmission network. The much vaunted Viking Windfarm is already cashing in on constraint payments (Over £2 million in August alone). In fact, on the day that SSE were making their announcement about Viking Energy and subsea cable completion, the turbines were off! Clearly, approving projects which depend on other factors that need to be addressed can lead to problems and money wasted.

More generally, we must ask what Ofgem's priorities are. We were of the opinion that the interests of energy consumers were the top priority for Ofgem. It now appears that Government Net Zero ambitions are the number one priority. The phenomenal cost of transmission upgrades necessary for remote generators of electricity must surely be a consideration. At the end of the day consumers will pay for all of this. We are aware that Ofgem does not willingly make public the results of any cost benefit analysis that they may undertake. Redaction has been the order of the day in previous consultations. Consumers deserve to know the full cost implications of what is being proposed.

As well as probably being unaffordable many of the proposals in the consultation will simply not be feasible in the timescale envisaged. Quite frankly, what is being proposed will be disastrous for energy security in this country. A hugely expanded grid network to remote locations brings more and more risks of system failures. In particular, subsea cables are vulnerable, which is why so much back up generation has to be available at yet more expense.

Sadly, it would appear that we are now in the process of sacrificing a reasonably efficient energy system for one that is anything but. This is of course supported by big energy players, like SSE, who see the opportunities to make money out of the drive for Net Zero and "saving the planet". Ultimately all of this will probably turn out to be futile gestures with many of the big polluting countries choosing not to follow suit.



Sustainable Shetland.