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Chair: Frank Hay  
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**Draft Determination on Shetland enduring solution re-opener application.**

Consultation response.

Comments.

This is another add-on to the energy solution for Shetland. This should have been part of a complete package at the outset so that the total cost of the project could have been evaluated and a proper Cost Benefit Analysis done. There is an impression that developments in Shetland are spiralling out of control with more and more money having to be spent here.

We presume that you are aware that the following is an essential part of the project to connect the Sullom Voe Terminal (SVT) to the local grid:

[Two years of underground cabling works proposed by SSEN | Shetland News \(shetnews.co.uk\)](http://shetnews.co.uk)

We feel that this should have been included in this reopener with the Battery Energy Storage System (BESS) project. It is worth noting that, due to the demands of SVT, the entire length of this proposed cabling is to be undergrounded. This is in contrast to the cabling from Kergord to Gremista where a large section of overhead lines has been installed, on grounds of cost.

This main element in this consultation, a BESS, is primarily designed to try to ensure continuity of energy supply to Sullom Voe Terminal. The SVT power station was constructed so that the Terminal had a reliable power supply. This power station is due to close in 2025 so the plan is to connect the Terminal to the local grid at the new GSP at Gremista, The BESS is necessary to provide continuity of power until the stand-by Lerwick Power Station can be reactivated, a matter of a few hours. It should be noted that energy users on Shetland are accustomed to power cuts, mainly weather related and that an outage of a few hours is often encountered. Essential power users usually have back-up generators.

Given the fact that the BESS will only be able to maintain power for a few hours, is this good value for money? The cost of the BESS has been quoted at around £100 million. We note that SHEPD are not planning to construct the BESS themselves. In a possible attempt to disguise the true cost of the project, SHEPD propose that Zenobe will construct the BESS and SHEPD will then enter into a leasing arrangement with them. In the long run this is likely to be even more expensive.

Another issue is that, with the closure of the SVT Power Station, will Lerwick Power Station be able to satisfy the needs of the terminal as well as the rest of Shetland? Will power rationing sometimes be necessary in the scenario of subsea cable failure?

### *Questions*

*Q1. Do you agree with our Draft Determination on SHEPD's Shetland Enduring Solution needs case, optioneering and costs?*

No, the planning approval of the BESS in Lerwick near homes and businesses was, in our opinion, somewhat flawed. At the very least, considering the well known risks of fires in Lithium ion batteries, a Public Inquiry into the issues should have been held. There is little confidence amongst local people that the local fire service would have the resources to deal adequately with a major fire in the proposed BESS. SHEPD should ensure that all necessary resources are provided in case of issues with the batteries. This could lead to further cost implications.

We feel that, since the principal reason behind the plans for the BESS (and also the underground cabling) is the needs of SVT, the operators of the terminal should meet the costs of it rather than energy consumers in general. Also, we feel that the BESS would be better sited at SVT, rather than near homes and businesses in Lerwick.

*Q2. Do you agree with our proposal that consumers should not take on any additional costs if the solution fails?*

Yes. However, we note that there some concern that this is an innovative project and that it is not guaranteed to actually work in practise.

Frank Hay

Chairman

Sustainable Shetland.