



RIIO-3 Team
Network Price Controls
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

10 February 2025

Dear RIIO-3 Team

Call for Evidence on Electricity Transmission, Gas Transmission and Gas Distribution Business Plans for RIIO-3 – SSEN Transmission's Business Plan for the RIIO-3 period

I am sharing views and evidence on behalf of Prosper on SSEN Transmission's Business Plan for the RIIO-3 period in response to the call for evidence which you have published.

Prosper – the trade name for the Scottish Council for Development and Industry – is Scotland's leading economic alliance with members across industries, trade unions, educational institutions, local authorities, voluntary organisations and public bodies. Our Highlands and Islands and North East Scotland committees comprise members from the private, public and third sectors in the North of Scotland region covered by SSEN Transmission and the company is a member of our Highlands and Islands Committee.

Since our formation in 1931, we have been involved in the development of Scotland's energy industry in the North of Scotland, including the development of hydroelectric power from the 1930s, offshore oil and gas, and onshore and offshore wind energy. The future of the North of Scotland's transmission system is a critical priority for our members. Prosper and Highlands and Islands Enterprise brought together industry players last year to identify actions to address grid connection challenges to enable the region to contribute maximally to the decarbonisation efforts of businesses and Government. This produced a [Briefing and Action Note for Government and Ofgem](#).

Prosper has engaged with SSEN Transmission, along with other regional stakeholders, as it has developed its Plan for the RIIO-3 period – including through participation by SSEN Transmission in our grid connections event and through regular discussions with SSEN Transmission at our Highlands and Islands Committee. I can therefore state that SSEN Transmission's proposals reflect the priorities of Prosper's members in the region. We welcome the three 2030 goals which it has set out in the Plan, *Delivering a Network for Net Zero The Pathway to 2030* – Reliable Energy, Clean Power and Our Legacy.

The Plan highlights the impressive level of reliability and resilience which has been achieved in the North of Scotland. However, the system faces a range of threats and

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challenges, including from climate change, and interruptions to supplies can cause significant harms for household customers and businesses in the region. We therefore welcome this focus on resilience and the 2030 goal of zero interruptions in supply.

The National Energy System Operator's *Future Energy Scenarios (FES) 2024 NESO Pathways to Net Zero* found that the amount of renewable energy generation in the North of Scotland will be required to more than double. This highlights the critical role of the North of Scotland in achieving the UK's Clean Power Mission for 2030 and net zero ambitions. The strategic investments proposed in the Plan by SSEN Transmission will transform the capability of the North of Scotland to meet GB demand for electricity. Prosper is fully aware from our discussions with energy developers and with businesses how important strategic energy planning and grid upgrades are for their investment decisions. Strategic investments in subsea cable links, onshore overhead lines and substations are (along with industry reforms such as to connections) essential to deliver key investments in building offshore windfarms, in decarbonising the region's industries to meet their sustainability goals, and in scaling up the region's energy supply chains. Certainty also supports regional investments in the key training and skills development programmes that will be necessary to supply the skilled workforce to deliver the Plan.

The Economic Impact Assessment produced for the Plan – which has been peer reviewed by Prosper member BiGGAR Economics – has found that it will deliver £8bn in spend in the North of Scotland and £13bn in the whole of Scotland, £3bn in Gross Value Add in the North of Scotland and £7bn in the whole of Scotland, and 8,400 jobs supported in the North of Scotland and 17,500 jobs supported in the whole of Scotland.

Prosper is encouraged that SSEN Transmission will pursue strategic supply chain engagement and innovation digital and modernisation programmes to help ensure value for money for current and future consumers. While we welcome the modelling which shows that the overall cost of energy could fall by over a third in the long term, it will be vital for the competitiveness of our member businesses that this remains a priority.

The development of hydroelectric power from the 1930s in the North of Scotland produced a strong legacy for the socio-economic development of the region and we welcome the focus given to the legacy goal in this Plan. In recent years, Prosper has worked closely with SSE and SSEN Transmission in our work on business purpose, and we are aware of the thinking that they do to deliver lasting benefits for stakeholders across local communities, economy and nature. The Scottish Government has declared a housing emergency in Scotland and the availability of affordable housing for a growing skilled workforce has been identified as a key enabler in Scotland's Green Industrial Strategy. It has been anticipated that nearly double the amount of new houses which would normally be built will be required in Highland alone in the next ten years. Prosper has been engaging with SSEN Transmission on the development of its

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Housing Strategy and welcomes the positive role that it is playing in finding solutions which will enable delivery of its investments in the energy transition around the region. Prosper strongly endorses the view that its Strategy should create a legacy which complements other actions to address the long-term housing challenge in the region.

I hope that these comments are helpful. Prosper would be pleased to discuss our views on this RIIO-3 Plan with Ofgem as you develop your RIIO-3 Draft Determinations consultation in the summer and reach your Final Determinations at the end of 2025.

Yours sincerely,

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Heaf of Policy

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