



Mr Jonathan Brearley  
Chief Executive: OFGEM  
10 South Colonnade  
Canary Wharf  
LONDON  
E14 4PU

25/08/22

Dear Mr Brearley,

### **OFGEM's RIIO-ED2 Draft Determination**

We are writing in response to OFGEM's Draft Determination of SSEN's RIIO-ED2 Business Plan. Scottish Islands Federation (SIF) is the representative body for island communities and a key stakeholder of the Scottish Government's Islands Team. We write with our deep dismay and concern over the removal of the proposed subsea cable upgrade from Uist to Skye from the business plan.

SIF represents communities from across the Isles, a number of which are already well established community energy generators and others that are working towards a range of energy and decarbonisation programmes. The value of these projects cannot be emphasised enough. They embody a 'just transition' through the local investment and opportunity they unlock as well as contributing significantly to national renewable energy generation and decarbonisation targets.

In 2020, the Harris to Skye subsea cable failed and was out of action for ten months during which time the community generators affected suffered significant losses, estimated at £1.3 million. Community generators invest their income locally, creating jobs and targeting support where it is most needed across essential service, transport, housing, shops, youth projects, care and wellbeing. This loss was massive for the communities affected and to add insult to injury, their commitment to journeying towards decarbonisation was totally undermined as throughout the entire ten months, even although the communities could generate renewable energy, diesel generators were installed across the isles.

With a similar level of risk on the Uist to Skye subsea cable, SSEN included its upgrade within the business plan, much to the relief of the communities and all involved. We cannot, therefore, understand the justification for OFGEM's decision to remove it.

This decision will have a hugely detrimental impact on island communities, the energy network and its potential for the next 5 years and beyond. We have deep concerns over the resilience of the local energy supply as well as complete dismay that island community energy potential and decarbonisation will continue to be constrained.

As detailed within the letter from Community Energy Scotland, the precarious situation for communities across Uist and Barra is exacerbated by the present day reality that, as a result of the Harris to Skye subsea cable failure in 2020 and lack of resilience within the grid network, insurance cover for subsea cable failure is no longer available. This is unacceptable and will mean, if the Uist to Skye cable fails, over a similar 10 month period, the losses would be in the region of £3million.

We would request further clarification of the reasoning that has led to this decision and strongly advocate OFGEM to reconsider and work with SSEN to find a suitable solution. Also, general consideration of greater resilience in the local network - which SSEN had included in their business plan - due to the fragility of the existing grid to meet community decarbonisation aspirations, would be strongly supported.

Your sincerely



**Camille Dressler**  
**Chair, Scottish Islands Federation**