

Scotland's electricity infrastructure: inhibitor or enabler of our energy ambitions?

Peter McGrath
Net Zero, Energy and Transport Committee
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Dear Mr McGrath,

Thank you for the opportunity to respond to the committee's inquiry into Scotland's electricity infrastructure. I hope this summary of Statkraft's presence in Scotland and the examples of how our projects are being impacted by a lack of grid connections is helpful to you. We would be happy to discuss these examples in person and/or to arrange a site visit for the committee to our Greener Grid Park in Keith, if this would be of interest.

About Statkraft: Working to renew the way Scotland is powered

Statkraft is Europe's largest producer of renewable energy. Established in Norway 125 years ago, our broad and growing portfolio includes hydropower, wind, solar and battery technology as well as innovative grid stability and green hydrogen projects. We are proud to have a strong track record in Scotland, with an office in central Glasgow, five windfarms operational across the country and a ground-breaking grid stability project in Strathisla. A pioneer in renewables, our values shape the way we work, and we are committed to ensuring that our projects are not only environmentally sustainable but also socially responsible.

Our recently built Greener Grid Park in Keith, for example, is helping Scotland to handle an increasing amount of renewable electricity without having to rely on coal and gas-fired turbines to provide grid stability – a critical piece of the puzzle in reducing fossil fuel use. In addition to employing local contractors during construction, its Community Fund will provide £20,000 each year to support community and environmental projects located within Keith and the wider Strathisla boundary. And earlier this year we announced a STEM Scholarship Fund in partnership with the University of the Highlands and Islands, which will support two students each year for the duration of their course. This is our first partnership with a university in the UK, and is a measure of our commitment to education, the Highland region, and Statkraft's ethos of being a good neighbour.

We are delighted to be expanding our Scottish operations, with a move in May to a new HQ in Glasgow to accommodate our growing team and plans to open an office in Inverness to help manage our growing project pipeline.

We are excited about the opportunities ahead and would like to extend an invitation to members of the committee to visit our Greener Grid Park in Keith to hear more about the technology and the role that it can play in enabling Scotland's energy ambitions. Our expert team would be delighted to provide a tour and to answer any questions you might have.

Response

Statkraft supports the submission made by Scottish Renewables to the inquiry and the answers it offered to the questions posed. Rather than repeating the points made in our own response, we thought it would be helpful to provide a summary of how grid issues are impacting our projects with real-world examples.

Project impact

The delays and difficulties that we experience connecting projects to the grid are caused by the sheer volume of applications and a combination of three overarching deficiencies, in supporting infrastructure, human resource and digitised processes. Inability to secure grid capacity for a connection this decade adds significant risk to the development progress of a project and may delay investment decisions

Example 1: A 100MW project in Argyll, which was recently submitted for planning, has received a new grid offer with a 2034 connection date, due to the need for a new subsea interconnector to North Wales.

Example 2: A 100MW project ready for planning submission had its grid offer withdrawn as the overhead line is now full. The re-offer will delay connection to 2035+ and is reliant on a second overhead line being constructed.

Example 3: 5 of 6 grid applications made in Q3 2022 were made 'interactive' with other applicants by NGESO and placed in a queue because there is limited connection capacity available. Developers ahead of us in the queue accepted their offers and so our offers were withdrawn by NGESO. The applications will be re-offered in 3 months' time with alternative connection dates. We are consulting with NGESO and the Transmission Operator to establish likely connection dates but expect them to be well into the next decade.

Example 4: NGESO and the Scottish Transmission Operators SSEN and SPT are overwhelmed by the volume of applications and struggling to process or issue timely and accurate offers or respond to queries. We have two examples where the applications took over 115 days to reach clock start which then triggers the 3-month offer process. We would typically expect applications to take 2-3 weeks to reach clock start. In addition to this, queries were raised on an offer received in January and have not been responded to after 3 months. We were forced to accept the offer at risk or it would expire and risk losing capacity.

Yours sincerely,

Iain Robertson, Head of Statkraft Scotland