Department of Energy & Climate Change

SCOTTISH ISLANDS RENEWABLES PROJECT

Update

31 January 2013

Agenda

Department of Energy & Climate Change

- **Background**
- **The Steering Group**
  - Terms of Reference
  - Membership
- **Study Objectives**
- **Outline Plan**

Joint Announcement by Ed Davey and Fergus Ewing – October 2012

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The Announcement:

- Recognised concerns about the speed of progress of renewable projects on the Islands.
- Declared the establishment of a Steering Group that will inform a new independent study on Scottish Island Renewable Generation.
- The 6 month study will assess the commercial viability of renewable projects on the Scottish Islands and the overall value for money these projects provide for the UK.
- Recognised the need to take account of the conclusions of Ofgem's review of transmission charging (Project TransmiT) and the CUSC working group activity.

The Scottish Islands Steering Group - Terms of Reference

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The Steering Group:

- Sets out the work programme to meet the study's objectives and timeline.
- Informs the specification for the independent study
- Ensures views of interested parties are canvassed and incorporated in the study.
- Sets out the evaluation criteria needed to assess the economic and commercial viability of renewable projects on the Scottish Islands

Steering Group Members

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Chaired by DECC and includes:

- Scottish Government
- Highlands and Islands Enterprise
- 3 Islands councils
- National Grid (as GBSO)
- SHE Transmission plc (TO)
- Ofgem (observer)

Objectives of the Study

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Independent study, jointly funded with the Scottish Government to examine:

- The **commercial viability** of renewable projects (onshore wind and marine) on the Scottish islands within existing support frameworks;
- The **economic value** of renewables projects on the Scottish islands and their potential to make a cost-effective contribution to renewables targets and other objectives;
- The **barriers to development** of renewable projects and why more projects are not coming forward; and
- If barriers are identified, identify broadly costed **options for actions** to tackle them.

Outline Plan

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Date	Action
October 2012	➢ Secretary of State and Scottish First Minister announcement ➢ ToR for the Scottish Island Steering Group
November 2012	➢ First meeting of Steering Group: ▪ Develop specification for independent analysis; and ▪ Agree evaluation criteria
December 2012	➢ DECC tender for the independent analysis
January 2013	➢ Study commences (Consultants now engaged)
Jan-Feb 2013	➢ Information gathering by consultants
March 2013	➢ Consultant report on the needs case
April - May 2013	➢ Report on options and consideration of further work