

LT09 Shetland HVDC Link

Completing the multi-terminal system

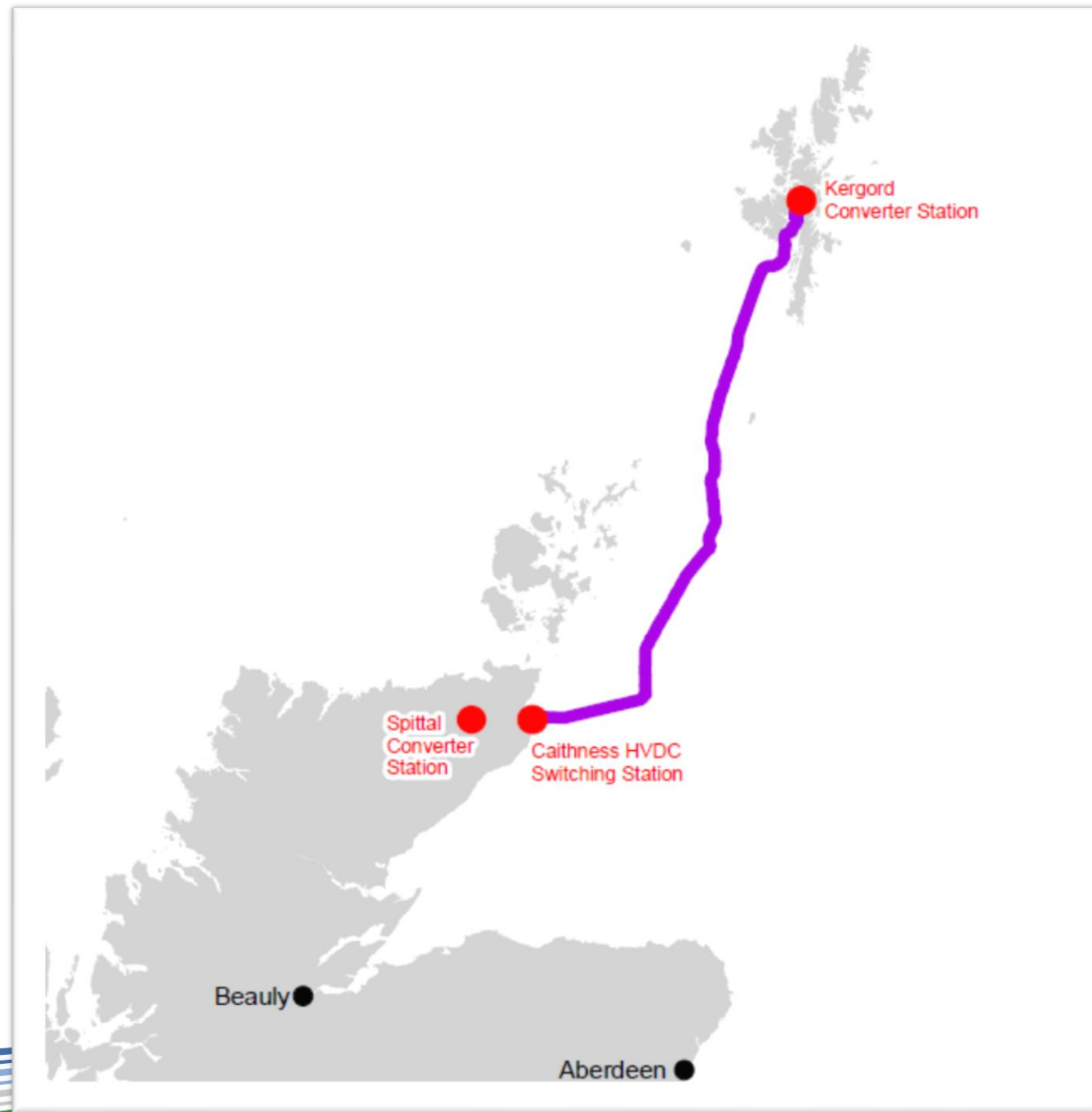
26th June 2019



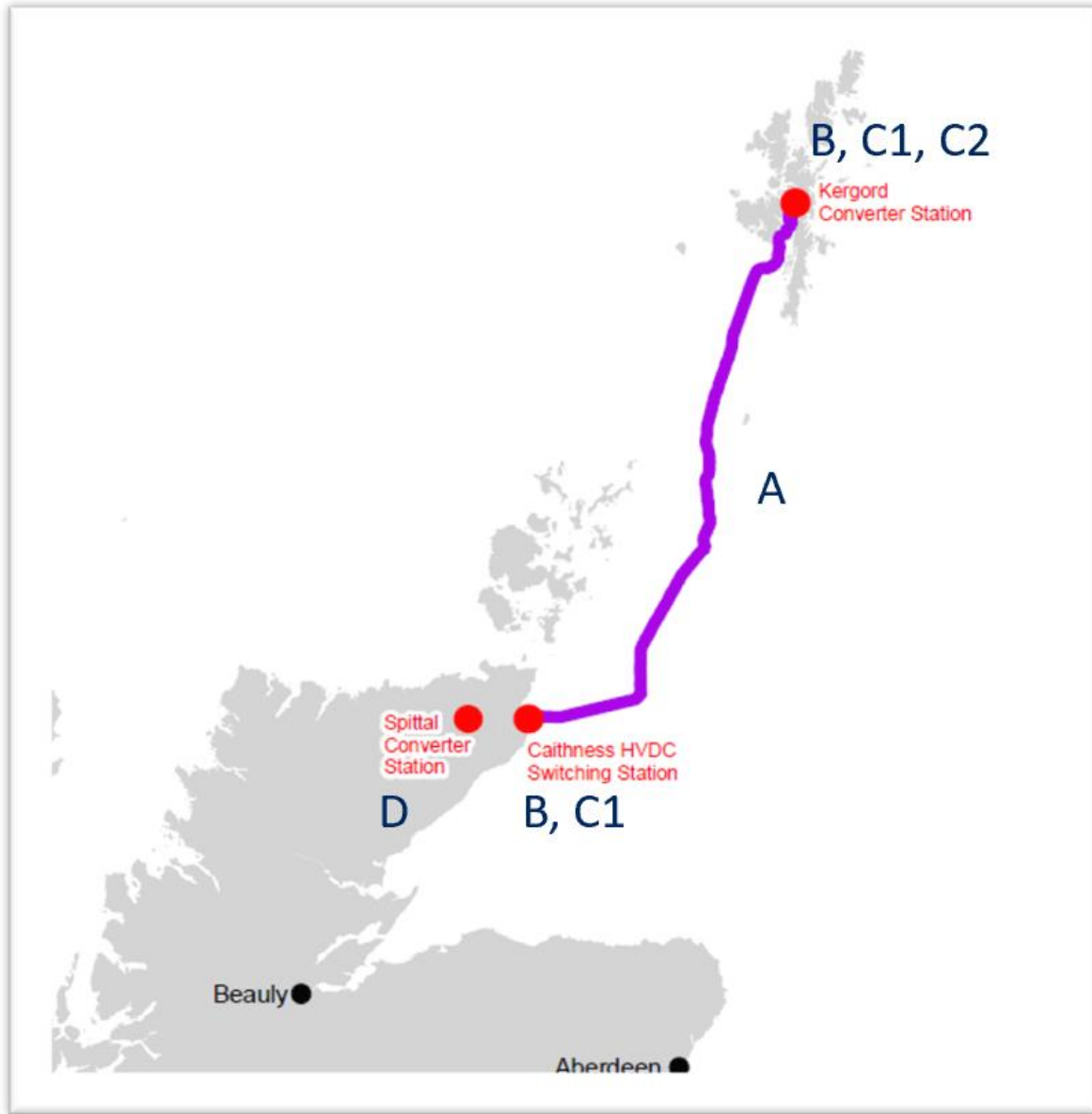
Scottish & Southern
Electricity Networks

1. Project Drivers & Status

- Single circuit **600MW HVDC** link from Noss Head (Wick) to Kergord on Shetland forming a multi-terminal HVDC asset with Caithness-Moray.
- Needs Case cost (October 2018) - £709m.
- NG cost update (May 2019) - £654m.
- Key dates:
 - OFGEM determination – August 2019
 - Project Assessment submission – September 2019
 - CfD Auction Results – November 2019
 - Construction & Commissioning April 2020 to March 2024
- Shetland New Energy Solution:
 - Ofgem minded to approve c.£250m SHEPD contribution to capex
 - On-island Grid Supply Point and network reinforcement needed

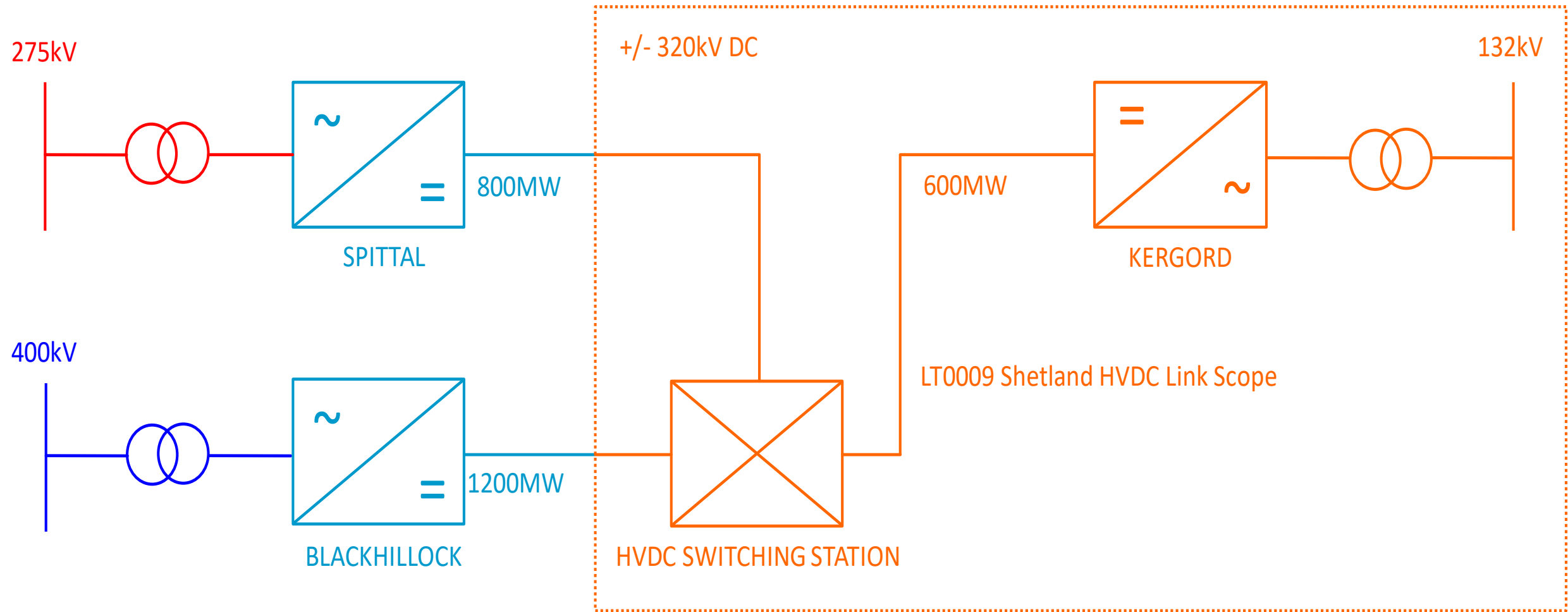


2. Delivery approach



Ref	Works Contracts
A	HVDC Subsea and Land Cables
B	Converter and Switching Station Technology
C1	Converter and Switching Station Civils
C2	AC GIS Substation at <u>Kergord</u>
D	Cable Tie Ins

4. Multi-terminal completion



4. Challenges

- OFGEM
 - Cost benchmarking
 - Confidence in RIW CfD
 - Competition models
- Interface Management
 - Design
 - Construction
- Political landscape
 - Change of policies
 - Nationalisation threat