SUBMISSION FROM DEREK STIRLING

I wish the Economy, Energy and Tourism Committee to consider the points below as part of their review of the security of Scotland's energy needs. The points relate specifically to proposed and prospective energy inter-connectors between the UK and other contiguous countries. National Grid (a UK based company) is proposing and planning a number of inter-connectors at this time.

Background
The following submission is based on information available to me at the time.
I was working with Marathon Oil during 2000-2001 when the company identified and brought to the attention of the UK Government the imminent energy supply deficit with respect to fossil fuel supply from the North Sea. The evidence was not disputed and Marathon Oil began to develop a proposal to transport natural gas from Norway to the UK largely through existing infrastructure and utilising their significant gas compression capacity, mid North Sea, as a booster station. The project name was "Symphony" and proposed a gas pipeline from Norway landing at Cruden Bay existing gas handling facilities in Scotland and onward connection to the national grid. Not only was the project economically viable but user entry to the pipeline was one of the most commercially open at the time so as to improve security of supply and reduce tariff costs. The project proposal did not receive approval by the UK government who instead requested BP and Statoil to submit alternatives. This was done and a pipeline to be landed at Easington in England which involved the design, fabrication, construction and installation of virtually all new infrastructure. It is difficult to see how this decision could have made economic sense in terms of capital expenditure and operational cost.

Early this year (2015) National Grid signed a contract with a Norwegian company to design and build an HVDC electricity inter-connector from Kvilldal in Norway and will be landed in Blyth, northern England. The rationale behind this agreement is the sharing of power and in particular reducing the carbon footprint of both countries. Given Scotland's drive towards a low carbon economy and power generation there are strong synergies between Scotland and Norway - not just the closer proximity. This pursuit of this project raises the same questions as those with the "Symphony" pipeline. I would like the decisions to approve BOTH the gas inter-connector to Easington and the proposed power inter-connector to Blyth to be reviewed and scrutinised in order to address the following:

- Why is it more economical to construct a power line from Norway to England?
- Was Scotland ever considered as a landing point for the inter-connector?
- Is the capital cost of this longer power cable much more expensive than a Scotland option?
- How significant is the energy loss of an extended cable and is this compatible with UK environmental aims?
- Will the costs involve increased purchase of carbon credits?
- Will the operational costs of this extended cable be greater than for a Scotland option?
- What is the difference in break even points for environmental targets and overall project costs between and England vs Scotland landed cable?

- Can the decision and agreement between National Grid and Statnett be reviewed and challenged?

I would also encourage the committee to scrutinise the proposed UK inter-connectors on the National Grid web-site in terms of their competitiveness between countries and internally within the UK. As far as I can see the only proposed inter-connector involving Scotland is Ice-Link (with Iceland) which was considered un-economical decades ago and is at best marginal today.

Yours Faithfully

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