

17 November 2010

Energy Consents Unit
Scottish Government
5 Atlantic Quay
150 Broomielaw
Glasgow
G2 8LU

Dear Sir/ Madam

Viking Wind Farm

I am writing to express the support of the Scottish Council for Development and Industry (SCDI) for the application by Viking Energy for the Viking Wind Farm on Shetland.

The Scottish and UK Government's have both established stretching targets for renewable electricity generation and reductions in Greenhouse Gas emissions by 2020.

The Scottish Government's recently published strategy highlights that transforming the energy sector will have a "pivotal role" in the development of a Low Carbon Economy. First Minister Alex Salmond MSP has, therefore, raised Scotland's target for electricity generation from renewables from 50% to 80% of consumption within less than 10 years.

The UK's Committee on Climate Change has identified early decarbonisation of electricity supply by 2030 as the most economic path to the 2050 Climate Change targets. In consequence, the GB electricity system is undergoing an unprecedented paradigm shift, with recognition of the need to support low carbon generation which chooses to locate in areas of the UK with the most favourable geographic and weather conditions.

Ofgem has identified about £200bn of investment over the next decade as a start to the decarbonisation process, with the majority of these very large investments by industry. As the Scottish Government's Low Carbon Economic Strategy emphasises, "it is important to recognise that onshore wind is still the technology that can make the most immediate positive impact...and therefore the Scottish Government will continue to encourage large, medium and small scale developments that are sited appropriately."

If Government's stretching targets for renewable electricity generation and climate change, while ensuring the security of Scotland's energy supply, are to be achieved, it must support large, short-to-medium-term investment in the areas with the best resources.

Shetland is a prime location for an on-shore wind farm – the constructed Burradale wind farm on the island has a number of the most productive turbines anywhere in the world. The Viking Wind Farm would produce up to 457MW and, as Shetland's peak electricity demand is just over 50MW, a large surplus would be exported to the Scottish Mainland.

An independent review by the Macaulay Land Use Research Institute of the carbon payback of the project has shown that this could be less than one year of operation.

The Scottish Government describes utilising Scotland's vast natural resources as "an economic and environmental imperative", and a once-in-a-generation opportunity which must be maximised, not only for the Scottish economy, but for Scotland's communities. The Scottish Government has also said that it is committed to ensuring that all of Scotland, including Scotland's islands, can benefit from investment in renewable energy.

The Viking Wind Farm would create 170 direct jobs during construction phase and 23 posts in support services during the lifetime of the project. Shetland-based suppliers could stand to benefit by more than an estimated £2 million of new business each year. It is expected to generate £23 million per year or £930 million across its lifetime for the Shetland Charitable Trust. This would be reinvested to create economic, environmental, social and cultural benefits for Shetland, representing a unique opportunity to diversify the economy and address the long-term economic and demographic challenges it faces.

A development of this scale is also necessary to justify the case for a sub-sea interconnector cable between Shetland and the Scottish Mainland. This would open up opportunities for all renewable energy technologies not only in and around Shetland, but for the north of Scotland as a whole, including off-shore wind, then wave and tidal energy when they become technically and commercially viable in a number of years time. These would also be able to capitalise on the skills and supply chain which had been created and so the Viking Wind Farm would be the basis of a new industry on Shetland.

SCDI notes that changes which reduce the overall area of the Viking Wind Farm have been made to the original application in response community and statutory consultee feedback, and welcomes the plans to provide visitors' facilities and routes. We believe that it will significantly enhance Shetland's economic and environmental reputation.

SCDI recommends that the Scottish Government gives consent to the Viking Wind Farm. We consider that it is aligned with Scottish and UK renewable energy and climate changes policies and targets, and via the project itself and enabling related infrastructure, policies to capture the opportunities and community benefits of a low carbon economy.

Yours sincerely

Gareth Williams
Head of Policy
gareth.williams@scdi.org.uk