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25th November 2022

Our ref. 41953395 Your ref.

Dear Neil,

The Marine (Scotland) Act 2010
Pentland Firth East (3) Subsea Cable Installation

Scottish Hydro Electric Power Distribution plc (SHEPD) holds a licence under the Electricity Act 1989 for the distribution of electricity in the north of Scotland including the Islands. It has a statutory duty to provide an economic and efficient system for the distribution of electricity and to ensure that its assets are maintained to ensure a safe, secure and reliable supply to customers.

As you are aware SHEPD previously identified the original Pentland Firth East cable as requiring replacement, and in 2020 a Marine Licence (reference 07207/20/0) was granted by MS-LOT for these works. Installation of the new Pentland Firth East (PFE 2) cable was subsequently completed in September 2020. In January 2021 the PFE (2) cable faulted approximately halfway across the Pentland Firth and following extensive investigation works it has been determined that a complete end to end replacement is required, which is the subject of this marine licence application.

A condition of marine licence 07207/20/0 was that at the end of its economic life, or in the event of a fault situation, a decommissioning plan was to be developed for the PFE (2) cable and submitted to the regulator for their approval. Therefore, a supporting document to the present marine licence application is the decommissioning plan for the PFE (2) cable.

Subject to all necessary consents being achieved SHEPD intends to undertaken limited decommissioning of PFE (2) and installation works for the new cable from April 2023 onwards. An installation contractor has been engaged and their input has informed preparation of the Marine Licence supporting documents.

The marine licence application for this cable replacement is supported by a number of documents. A full list of these is provided separately but in summary they comprise:



Project Description

The Project Description provides details of the cable route corridor, cable design, protection measures, installation methodology, decommissioning activities and outlines the scheduling of works.

Pentland Firth East (2) Decommissioning Plan

This document sets out the approach SHEPD propose regarding decommissioning of the faulted PFE (2) cable. In summary SHEPD propose to remove the inter-tidal sections of cable at both landfalls and any further sections of cable below MLWS where this is required in order to facilitate installation of the new Pentland Firth East (3) cable.

Pre-application Consultation Report

As SHEPD have previously carried out a licensable activity at the same location MS-LOT have confirmed that SHEPD are exempt from the requirements of Section 23 of the Marine (Scotland) Act 2010 as provided for in Section 22 of the same act. Notwithstanding this, we have consulted extensively with stakeholders and include a report summarising these discussions.

Cost Benefit Analysis

The CBA model was designed to help with the identification of the best value method of cable installation, burial, protection, inspection and maintenance which satisfies all current legislation. The output of the CBA model helps to demonstrate (to ourselves, our customers, our regulators and all users of the sea environment) that the method(s) proposed to deploy for installing this submarine electricity cable justifies the expenditure and provides best value. The CBA model supports our marine licence application by illustrating how we consider the cumulative impact of our engineering design.

Environmental Supporting Information

Whilst a full Environmental Impact Assessment is not required for submarine cables, Marine Scotland advises, in their Guidance for Marine Licence Applicant Version 2 June 2015 (Marine Scotland, 2015), that "applicants for marine licences for submarine cables should consider the scale and nature of their projects and give consideration to the need for a proportionate environmental assessment".

For larger projects, where there is potential for the subsea cable to impact key environmental receptors, it is recommended by Marine Scotland (Marine Scotland, 2015), that an assessment of potential impacts on these receptors is carried out. Results from this assessment along with other relevant information about the Project should then be provided to support the Marine Licence application. This is detailed within Environmental Supporting Information (ESI) which should be read in conjunction with the Fishing Liaison and Mitigation Action Plan (FLMAP). The ESI makes a proportionate environmental assessment of the project against receptors in the vicinity of the works.

Fishing Liaison and Mitigation Action Plan covering all legitimate sea users

The purpose of the FLMAP is to:

 Illustrate the associated risks to the commercial fisheries industry (and other legitimate sea users) and address the potential effects (highlighted in the marine licence evidence) and;



b) Identify how to minimise and mitigate potential impacts on local communities. A summary assessment of all the potential marine interactions and activities which could influence or affect the proposed cable works is given in Chapters 6, 7 and 8 of the FLMAP.

The FLMAP Delivery Programme sets out how the CFLO and FIR will communicate during the works and how the deliverables, set out in the Fishing Liaison Mitigation Action Plan, will be measured and fulfilled. This document will also highlight any regional specific communication and consultation that is required, which may extend the notice period required to issue notice to mariners and communicate upcoming works. It will also highlight any ongoing issues which may arise throughout the emergency repair works.

'How Scottish Hydro Electric Power Distribution co-exists with other marine users' details how we plan to co-exist with other marine users as we carry out these works and follows on from prior consultation engagement with fishermen in 2019.

Construction Environment Management Plan

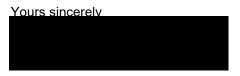
Mitigation measures, monitoring and reporting procedures which have been incorporated into the design and installation of the replacement cable in order to prevent or reduce adverse environmental affects as much as possible are detailed within the Construction Environment Management Plan (CEMP).

Operation, Inspection, Maintenance and Decommissioning Strategy

The Operation, Inspection, Maintenance and Decommissioning Strategy sets out the approach to:

- Operation: following installation of the cable, connection and energisation to the network
- Inspection: the visual inspection or tracking of the cable following installation
- Maintenance: remedial works driven by condition-based information or following inspections in the marine and/or land environments
- Decommissioning: follows de-energisation of the cable at the end of its operational life

Additionally, SHEPD is seeking an EPS Licence to enable them (and their contractors) to use an Ultra-Short Baseline (USBL) system for subsea positioning of the replacement cable. A Basking Shark disturbance licence is also being applied for.



Kevin Galbraith Head of Subsea Cable Project Delivery