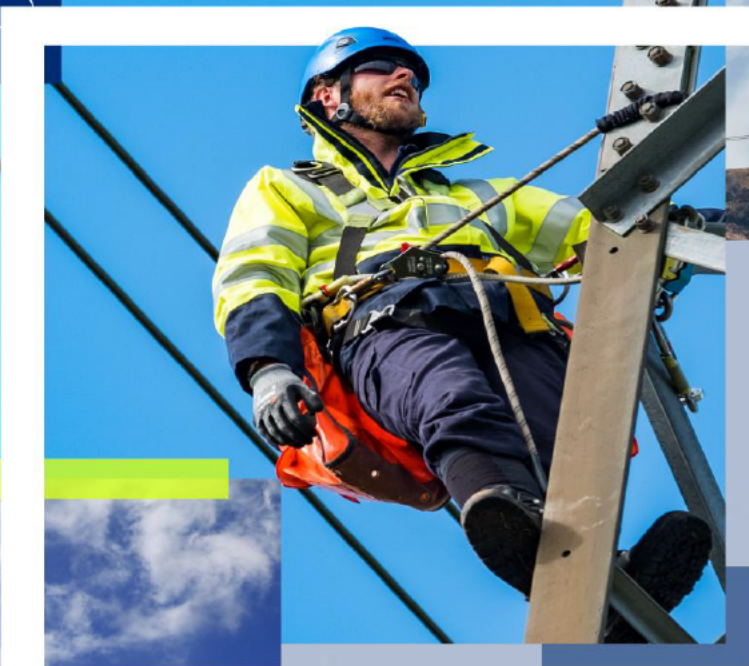




T3 Load Reopener: Earba PSH Cluster

Eligibility Letter

Document Classification | **PUBLIC**

T3LR-EL-007	Earba PSH Cluster RIIO-T3 LR Eligibility Letter		Applies to
			Transmission
Revision: 1.0	Classification: Public	Issue Date: 10/2026	Project Number: [REDACTED]

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Executive Summary

This Eligibility Letter sets out our request for Ofgem approval of the needs case and preferred option for the Earba Pumped Storage Hydro (PSH) [REDACTED] and direction of a Price Control Deliverable (PCD) covering Pre-Construction Funding (PCF). In support of the project, SSEN Transmission (SSEN-T) is requesting an additional PCF allowance of [REDACTED] under SpC 3.15. [REDACTED]

Without approval of the need and preferred option, and subsequent release of Pre-Construction Funding, we are unable to progress this project or deliver the connection works required to connect Earba PSH to the transmission network.

Earba PSH, developed by [REDACTED], is currently contracted for its 1,800 MW Pumped Storage Scheme located approximately 17.5km west of Dalwhinnie. They [REDACTED], in the Gate 2 to Whole Queue (G2tWQ) process. [REDACTED] the customer will connect [REDACTED] (600 MW Transmission Entry Capacity (TEC)), with [REDACTED] (1,800 MW TEC)² and has been assessed by the NESO as needed for CP2030. [REDACTED]

Following optioneering and technical assessment, our preferred solution satisfies the NETS SQSS and all relevant technical requirements, while ensuring the contracted generation can be connected and delivered [REDACTED]. The proposed solution comprises of TCA works, One off works and Sole Enabling works³.

The proposed solution comprises sole use enabling works to install two 400kV feeder bays at the new Coire Mashie 400kV Substation. Earba PSH will be connected to the new Coire Mashie 400kV Substation, submitted under Eligibility Letter [REDACTED], by approximately 15.3km of double circuit 400kV underground cables. [REDACTED]

to connect Earba PSH to Coire Mashie.

The project is a Non-Pre-Approval of Solution by Engineering (non-PASE) solution, as the solution is an Underground Cable (UGC) solution [REDACTED]

The Need is clear and the Option is justified therefore the project should be placed in Track 2. We ask that Ofgem:

[REDACTED]

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- Confirm eligibility for the Load Reopener (LR)
- Confirm Track 2 pathway for regulatory funding, progressing straight to Project Assessment
- Amend SpC 3.15 Pre-Construction Funding in line with the Final Determination decision of 8.2% PCF [REDACTED]
- Confirm that an Independent Technical Adviser (ITA) and Output Delivery Incentive (ODI) will not apply

This submission is made in accordance with Special Licence Condition (SpC) 3.15 (“Pre-Construction Funding Re-opener and Price Control Deliverable”) of SSEN-T’s Licence. The content within this submission is aligned to the requirements in Ofgem’s “Re-opener Guidance and Application Requirements Document 5” (dated 1st April 2026).

We are applying to Ofgem for a direction to amend the outputs and associated allowances in Appendix 2 of SpC 3.15 of our Licence. This is permissible in respect of new Load Re-opener Outputs. SSEN-T may apply to the Authority for a direction amending the outputs, delivery dates, or associated allowances by submitting an Eligibility Letter for the relevant Load Re-opener as set out in Part D of Special Condition 3.18 Load Re-opener and Price Control Deliverable (LRt).

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Reference Table

Project Title:	Earba PSH	Delivery Year	[REDACTED]
BPD/Reference Number	[REDACTED]	Applicable Reporting Tables	6.1 Scheme C&V Load Actuals 9.4 CAI 11.10 Contractor Indirects
RRP References	[REDACTED]	Connections	Earba PSH
Cost (23/24 prices):	[REDACTED]	Total MW of Clean Power Generation	1,800 MW (TEC) [REDACTED]
Load Board Reference	N/A		
Investment Driver	Customer Connection		
PASE alignment	The project is a non-PASE solution, as the solution is an Underground Cable (UGC) solution [REDACTED] by the customer [REDACTED] [REDACTED] Robust and detailed justification has been provided [REDACTED]		
Outputs	Energisation of transmission infrastructure to connect Earba PSH PCD to be set covering pre-construction activity up to [REDACTED]. Full Output to be set at Project Assessment.		
Historic Funding Interactions	N/A		
Interactive Projects	[REDACTED] – Coire Mashie 400kV Substation [REDACTED] (Upgrade of Beaully-Denny second circuit from 275kV to 400kV) [REDACTED] [REDACTED] All projects above are Shared Use works and are hence interactive with Earba PSH. [REDACTED] [REDACTED].		

Table 1: Reference table

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[REDACTED]	[REDACTED]		
	[REDACTED]		
Spend Apportionment	ET2	ET3	ET4
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 2: Project Summary table

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1. Introduction

This Eligibility Letter sets out our request for Ofgem approval of the needs case and preferred option for Earba PSH [REDACTED] and setting of a Price Control Deliverable (PCD) covering Pre-Construction Funding (PCF).

As part of its statutory and Transmission Licence obligations, SSEN-T has several duties including:

- The development and maintenance of an efficient, coordinated and economical system of electricity transmission,
- To facilitate competition in the supply and generation of electricity, and
- Plan the network in accordance with the NETS SQSS to ensure that the security of the network is maintained as the demand and/or generation connections change over time.

[REDACTED]
(NESO) as part of Connections Reform for the transmission works associated with their prospective 1,800 MW Pumped Storage Hydro development located 17.5km west of Dalwhinnie. [REDACTED]
[REDACTED]

Alongside this submission we are submitting an Eligibility Letter for Coire Mashie 400kV Substation [REDACTED]. The project was not included within our Business Plan and CP2030 supplementary information submission as the need was uncertain, however development works were undertaken in T2. [REDACTED] The costs for the cluster are [REDACTED] and do not meet the thresholds for the volume driver, therefore the project is eligible for the LR, and an eligibility letter is needed.

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2. Regulatory Treatment

This submission is made in accordance with SpC 3.15 (“Pre-Construction Funding Re-opener and Price Control Deliverable”) and SpC 3.18 (“Load Reopener and Price Control Deliverable”) of SSEN-T’s Licence. Part F of SpC 3.15 sets out the information requirements for amending condition to reflect PCF, and part D of SpC 3.18 covers the requirements for an Eligibility letter submission. The content within this submission is aligned to the requirements in Ofgem’s “Re-opener Guidance and Application Requirements Document Version 5” (dated 1st April 2026).

2.1. Pre-Construction Funding

We are applying to Ofgem for a direction to amend the outputs and associated allowances in Appendix 2 of SpC 3.15 of our Licence. This is permissible in line with SpC 3.15.21 where a request can be made when submitting an eligibility letter.

To support Earba PSH project, SSEN-T is requesting [REDACTED] of pre-construction allowances in order to fully fund the development of activities necessary to reach a constructable solution and secure all material planning consents and connection delivery date as per the signed Transmission Owner Construction Agreements (TOCA) [REDACTED]

To date pre-construction activities have included route and site selection assessments, public consultation events, LiDAR survey, and environmental surveys.

Expected pre-construction activities include ground investigation and testing, Environmental Impact Assessment (EIA) surveys and reporting, underground cable (UGC) alignment assessment, UGC and substation design refinement, pre-application consultation (PAC) events, preparing and submitting Section 37 and Town and Country Planning applications.

In line with SpC 3.15.24 e), the activities are required to develop the project up to the point of construction, including delivering critical path items related to ground investigations, preparation of consenting application and submission, and discharge of consenting. The pre-construction work is essential to mitigate project and delivery risks including delay and cost overruns during construction. It is essential to develop the project to achieve planning approval.

In line with SpC 3.15.24 c), a full breakdown of our PCF is included within the cost estimate provided in Appendix F, which provides a detailed summary of the PCF spend to date and forecast broken down into Pre-Construction Works Categories. Table 3 proposes the amendments to be made to Appendix 2 of SpC 3.15 Pre-Construction Funding Price Control Deliverable Allowance. [REDACTED]

In line with SpC 3.15.24 d), A PCD covering pre-construction activities should be set following approval of this Eligibility Letter. This should be done through modification to SpC 3.15 Pre-Construction Funding, our proposed amendments are listed in the table below.

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- It allows Ofgem to holistically assess the planned investments relating to the connection of Earba.
- The expected costs of individual elements may increase between now and Project Assessment, and therefore it makes sense to consider within the Eligibility Letter.
- It allows Ofgem to consider cost efficiency of all works, which will ultimately be delivered at the same time with the same driver, and ensuring efficient costs are set.
- The sole use element is atypical due to the volume driver threshold.

2.3. Preferred Project Track

The preferred project track for this scheme is Track 2, as the project is a low complexity single connection project

[REDACTED]

Therefore, there is no need for a detailed needs case assessment. Our view is that this project should progress through Track 2 in order to meet connection offer timelines. The project is non-PASE compliant and we have strong justification, and optioneering. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This would align with the customer UGC solution and avoid introducing additional equipment, platforms and consenting requirements as well as the logistical and construction challenges of constructing a cable sealing end compound in the area which is subject to the same challenging topography as the Coire Mashie Substation to which this will connect

We see limited benefit of further Ofgem detailed review through a Needs Case, given that the need is clear and the solution is economic and efficient based on the connecting customers' requirements and regulatory status would delay the connection of the customer.

A Cost Benefit Analysis (CBA) has not been provided, a cost benefit comparison table (table 9) has been provided to present how the preferred option is justified in comparison to the other options given robust optioneering has been undertaken and the preferred option is clear. A CBA for this scheme would not provide any additional information and a CBA is not possible as it would not make sense to assess against options which are not deliverable.

2.4. Major Projects Output Delivery Incentive

The project does not meet the criteria for the setting of a Major Projects ODI. The project is connection driven and should not be classed as a "major project". We support a holistic, evidence-based approach to determining the projects to which the Major Projects ODI-F should apply, taking account of materiality, strategic designation and the nature of the network benefit being delivered. In our view, the mechanism should principally apply to large strategic investments, such as major boundary-transfer projects or projects specifically designated as strategic by Ofgem or NESO through CSNP outputs. The

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project contributes to the achievement of CP2030 but given it is specifically connecting one generator, we do not believe it would meet the criteria for the application of a Major Projects ODI.

We note in the RIIO-3 Final Determination ET annex section 3.22 states that the policy intent for the major projects ODI is that it “focuses on large boundary transfer projects and the Connections ODI will incentivise more localised upgrades”. It goes on to state that Ofgem expects that the Major Projects ODI will “relieve constraint costs”. Given that the project is to establish a radial connection to a localised connection project, does not relieve constraint costs and does not facilitate large boundary transfers, we do not believe that the project meets the criteria for a Major Projects ODI.

[REDACTED]

[REDACTED]

[REDACTED]

As this project is not part of the CSNP (Centralised Strategic Network Plan), the NESO will not be developing an Optimal Delivery Date (ODD) as there are no constraint costs associated with the development of these schemes. Furthermore, we will be incentivised to deliver the connection in line with Ofgem policy associated with the Connections ODI. [REDACTED]

[REDACTED] we expect Ofgem policy to remain unchanged and that some form of connections ODI will apply to the project related to connection dates. [REDACTED]

[REDACTED] the incentive to achieve connection dates, we see no need to set an ODI.

2.5. Independent Technical Advisor (ITA)

It is our view that the appointment of an ITA would not provide any benefit to the consumer.

This project is a radial connection project [REDACTED]. We see limited consumer benefit of introducing an ITA to small value works. All aspects of the project are in line with standard engineering and technical practises on the transmission network. Therefore, the scheme is not complex.

The scheme does not add any constraint benefits, however as part of the LDES portfolio, it will deliver consumer benefits, including improved security of supply and reduced emissions. This project is to

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connect a single pumped storage hydro scheme; therefore, we propose that no ITA is assigned to the project.

3. Needs Case

3.1. Justification of Need

As part of its statutory and Transmission Licence obligations, SSEN-T has several duties including:

- The development and maintenance of an efficient, coordinated and economical system of electricity transmission,
- To facilitate competition in the supply and generation of electricity, and
- Plan the network in accordance with the NETS SQSS to ensure that the security of the network is maintained as the demand and/or generation connections change over time.

The need for this project is identified as the connection of Earba Pumped Storage Hydro (PSH), developed by [REDACTED], which is located between the Melgarve and Kinardochy substations. Transmission works are required to connect Earba PSH's point of connection to the SSEN-T network.

[illegible]

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[REDACTED]

Additionally, Earba PSH received a ‘Minded-to’ decision from Ofgem as part of their Long Duration Electricity Storage (LDES) cap and floor regime⁴. Projects within this portfolio are described by Ofgem as likely to deliver system and consumer benefits, including improved security of supply, reduced emissions and lower system costs.

[REDACTED]

In line with our license obligations, we must deliver this connection in line with the Connections Network Design Methodology. [REDACTED]

[REDACTED]

3.2. Project Benefits

The connection of Earba PSH supports the government’s clean power objective by connecting 1,800 MW of clean generation to the transmission network, whilst improving the security of supply and lowering system costs (from Ofgem’s LDES scheme). The proposed Sole Use solution enables delivery of the connection on time, reduces consenting and construction risk, is deliverable, and, crucially, contributes to the decarbonisation of the grid.

3.3. Economic Benefits

This project will stimulate economic activity in the Highland Local Authority area, where the project is located, as well as throughout the rest of Scotland and the UK through its supply chain interactions. Focusing first on the Highland local authority area which covers nearly 1/3 of Scotland’s land mass and is rich in the natural resources crucial to renewable power generation, making it well placed to benefit from the Just Transition.

As part of our Pathway to 2030 programme SSEN-T is making significant investments in Highland to reinforce the grid and connect new renewable generation. Like most of the north of Scotland, the Highland area is suffering from a decline in its working age population due to a lack of attractive opportunities for young, skilled workers. It also faces a shortage of affordable housing and limited connectivity both within and out with the area. SSEN-T is helping to address these issues through a doubling of our Highland based workforce and our industry leading Housing Strategy which will deliver up to 500 homes in Highland.

About this analysis

This analysis uses input output modelling to calculate GVA and construction jobs with local content percentages applied based on desk-based research of historic data and published statistics. This analysis shows the economic impact of our investment and the average number of direct and indirect jobs that will be supported throughout the development and construction of the project.

⁴ “Window 1: Minded-to decisions – Long Duration Electricity Storage”, *Ofgem*, 26 June 2026

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Earba PSH Economic Impact

Category	Local	Scotland	UK
GVA (NPV)			
Direct GVA	£12m	£64m	£81m
Indirect GVA	£5m	£24m	£70m
Induced GVA	£4m	£19m	£69m
Total GVA	£21m	£107m	£220m

Table 5: GVA by region and total (£m)

This project will contribute £220m of Gross Value Added over the development and construction phases of the project.

Jobs Supported

Average Jobs	Local	Scotland	UK
Direct Jobs	23	116	134
Indirect Jobs	9	41	104
Induced Jobs	5	22	104
Total average Jobs	37	180	340

Table 6: Average jobs per region (number)

There will be an average of 37 direct, indirect and induced jobs supported by this project in the Highland area; 23 of these will be direct jobs related to the project. At the UK level, 340 jobs will be supported by this project, with 134 directly supported.

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Highland Jobs Supported

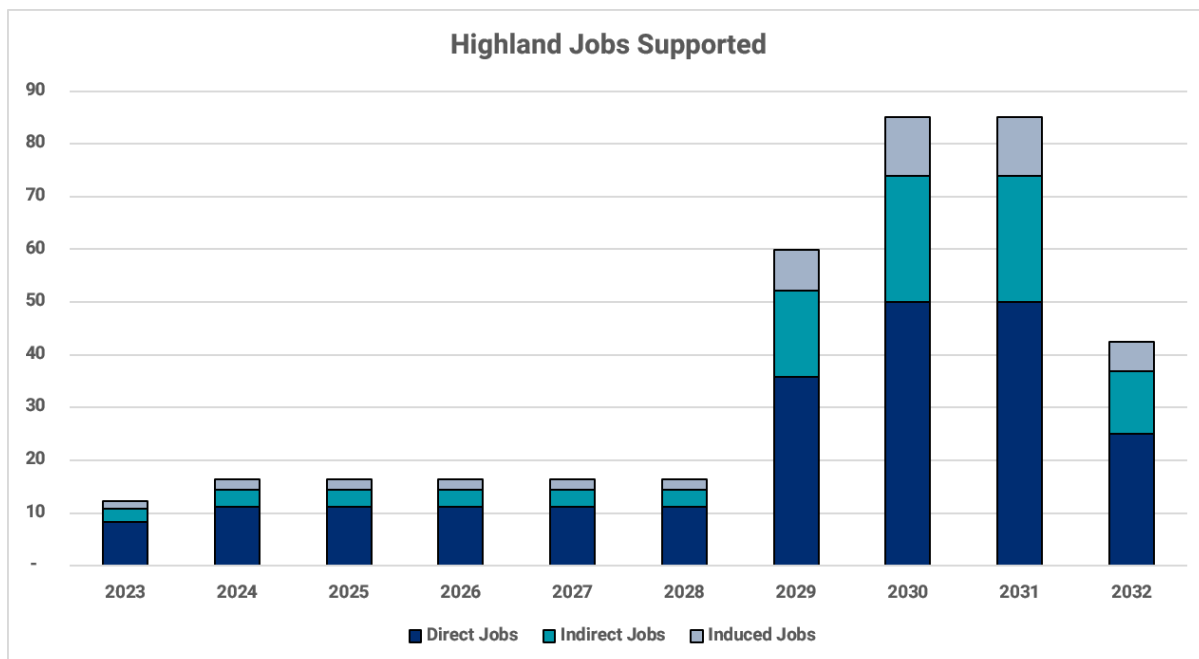


Figure 1: Highland Jobs Supported by Year

The primary employment sector in the Highlands will be the construction sector for enabling works as well as some site construction activity. Construction salaries in the Highlands are [REDACTED], meaning the employment we support will be among the best paid in the Highland economy leading to higher productivity in the region.

In conclusion, our socio-economic analysis shows that there will be significant economic benefits to the region, but also wider to Scotland and the UK. This investment will support jobs in the region and contribute to the wider economy.

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4. Optioneering

4.1. Environmental Considerations and Stakeholder Engagement

Environmental Considerations

An application for consent under Section 36 of the Electricity Act 1989 was submitted [REDACTED]

The SSEN-T project consents strategy is as follows:

Coire Mashie Substation:

Full planning permission under the Town and Country Planning (Scotland) Act 1997 (as amended) will be required for the new proposed Coire Mashie Substation.

Earba Underground Cable (UGC):

The UGC was originally anticipated to be undertaken under SSEN-T permitted development rights, pursuant to Class 40(1)(a) of the Town and Country Planning (General Permitted Development) (Scotland) Order 1992, as amended. On this basis, it was not initially expected to require a separate application for planning permission or associated statutory consultation. Nevertheless, for completeness and to ensure transparency, the UGC has been included within the scope of stakeholder engagement, consultation events and project communications undertaken to date. Following the Court of Session's decision in Raeshaw Farms vs Scottish Ministers, issued 17th February 2026, in the context of a wind farm development and its grid connection, this offered important guidance on the approach decision makers and developers should adopt when assessing renewable schemes under EIA provisions. An Environmental Impact Assessment (EIA) must assess the likely significant environmental effects of a 'project' in full before planning permission is granted. A key issue arising in practice is "project splitting", which occurs when connected elements of a larger project are treated as separate for the purpose of planning and EIA. SSEN-T therefore undertook a review of the consenting approach for the project, including consideration [REDACTED] and engagement with the Energy Consents Unit and The Highland Council. Having regard to the implications of the judgement and the relationship between the UGC works and the wider project, it was subsequently determined that the UGC should be brought within the scope of the formal consenting and Environmental Impact Assessment (EIA) process.

This represents a change in the consenting route rather than a change to the underlying need for, or purpose of, the UGC. The revised approach ensures that the works are assessed comprehensively alongside the wider project and that the relevant environmental effects are considered through the appropriate statutory process.

Earba Beauldy-Denny OHL Diversion:

A Section 37 is required as part of the Beauldy Denny Overhead Line diversion to connect to the new Coire Mashie Substation.

In accordance with SSEN-T's guidance, all environmental considerations and stakeholder engagements continue to be assessed prior to submission of EIA planning application submissions to The Highland Council and the Energy Consents Unit [REDACTED]

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Public Consultation Events up to SSEN-T [REDACTED] were held with local stakeholders at Laggan Village Hall in May with further community updates provided in June, July and October 2025. Pre-Application Consultation events are planned in [REDACTED] ahead of our planning application submission. To date, we have considered all stakeholder feedback including local residents, landowners and statutory authorities. The feedback we have received from statutory and non-statutory bodies/consultees included:

- Environmental – Potential landscape and visual impacts due to the substation being located within Cairngorms National Park and potentially being visible from Laggan Wolfrax. Wildlife was raised as a key issue with references to wildcats, beavers, deer, and protected bird species.
- Construction – Road and access, noise and disturbance, dust and pollution, and technical design were all key themes. Community concerns in relation to pressure and disruption placed on housing, medical services with increased road traffic and associated road safety concerns - [REDACTED]
[REDACTED]
[REDACTED]
- Community – Proximity of dwellings, health, local business, community benefit options, particularly in relation to the potential upgrade to the A86 and that Laggan village is not connected to the Laggan Wolfrax, so the building of a new track could serve the community, communication, and temporary workforce.

We are committed to addressing stakeholder concerns as we develop and deliver the scheme and have amended our plans to reflect this feedback.

An Environmental Impact Assessment (EIA) will be included in our planning submissions. The key environmental factors considered are:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

We are committed to achieving biodiversity net gain on the project in line with our policy that all projects are to achieve a 10% Biodiversity Net Gain (BNG).

Stakeholder Engagement

[REDACTED]
[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.2. List of Considered Options

4.2.1. Substation Connection Options

[REDACTED]

[REDACTED]

[REDACTED] Different optioneering exercises have therefore been conducted at different stages to enable the connection of Earba PSH.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A new substation at Coire Mashie was again the preferred option albeit based on a 275kV connection to a new 400/275kV substation due to the increase in TEC requiring a higher voltage level. The other two options were discounted for the same reasons as before – technical and logistical limitations.

Each modification application of Earba PSH lead to a review of the optioneering. This was important to ensure that the most effective option to enable Earba PSH's connection was being considered. The options considered as part of the current Earba PSH application (TEC = 1,800 MW) are shown in Table 7.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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Option Reference	Option Title	Option Detail	Rationale
1	Melgarve Connection	[REDACTED]	[REDACTED]
2	New Substation at Coire Mashie	[REDACTED]	[REDACTED]
3	Kinardochoy Connection	[REDACTED]	[REDACTED]

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				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]

Table 7: Summary of options (Earba PSH)

The optioneering detailed in Table 7 highlights that the preferred option to enable the connection of Earba is through the development of a new 400kV substation near Dalwhinnie (i.e. Coire Mashie substation).

4.2.2. Generation Circuit Connections (Sole Use)

As part of developing the solution for the Earba PSH connection sole use works, we have analysed a variety of options to evaluate what the most efficient investment options are for the network. A list of options considered and specific information to inform options appraisal are included in Table 8 below.

Option Reference	Option Title	Option Detail	Cost (23/24) Prices	Rationale
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]
				[REDACTED]

⁶ A variation to the connection design is acceptable under Section 2.15 as long as it adheres the to the criteria in Section 2.16.

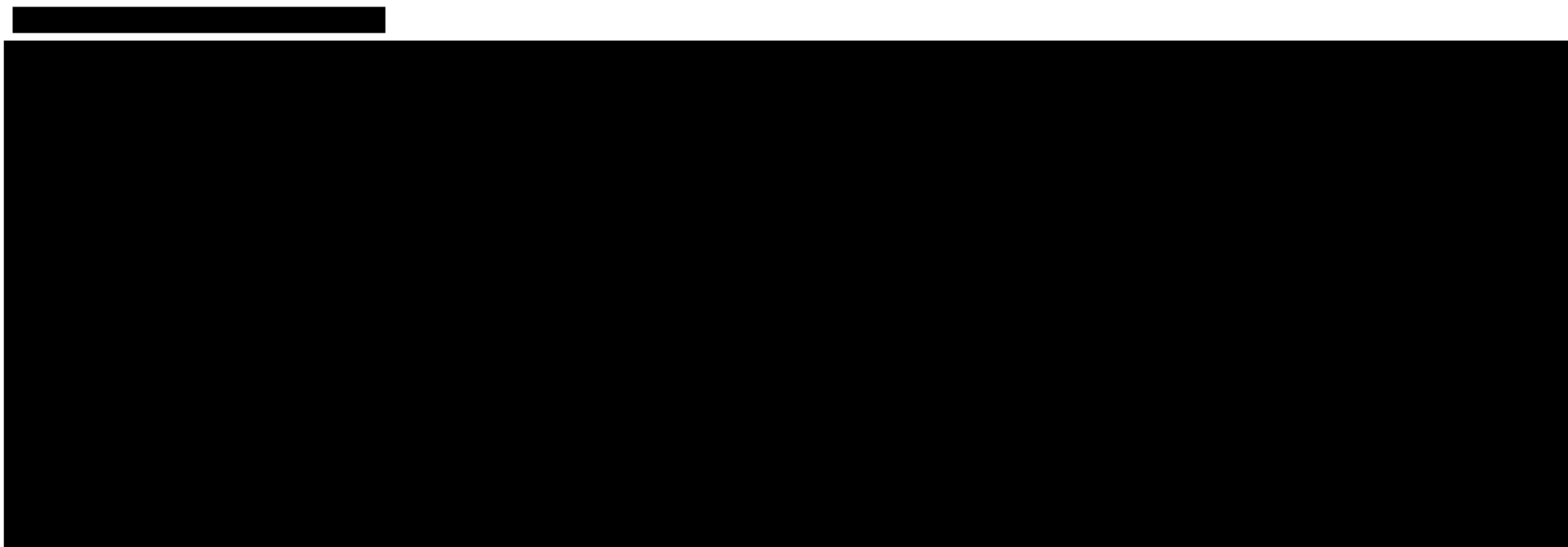
T3LR-EL-007	Earba PSH Cluster RIIO-T3 LR Eligibility Letter		Applies to
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4.3.2. Underground Cable PASE Justification

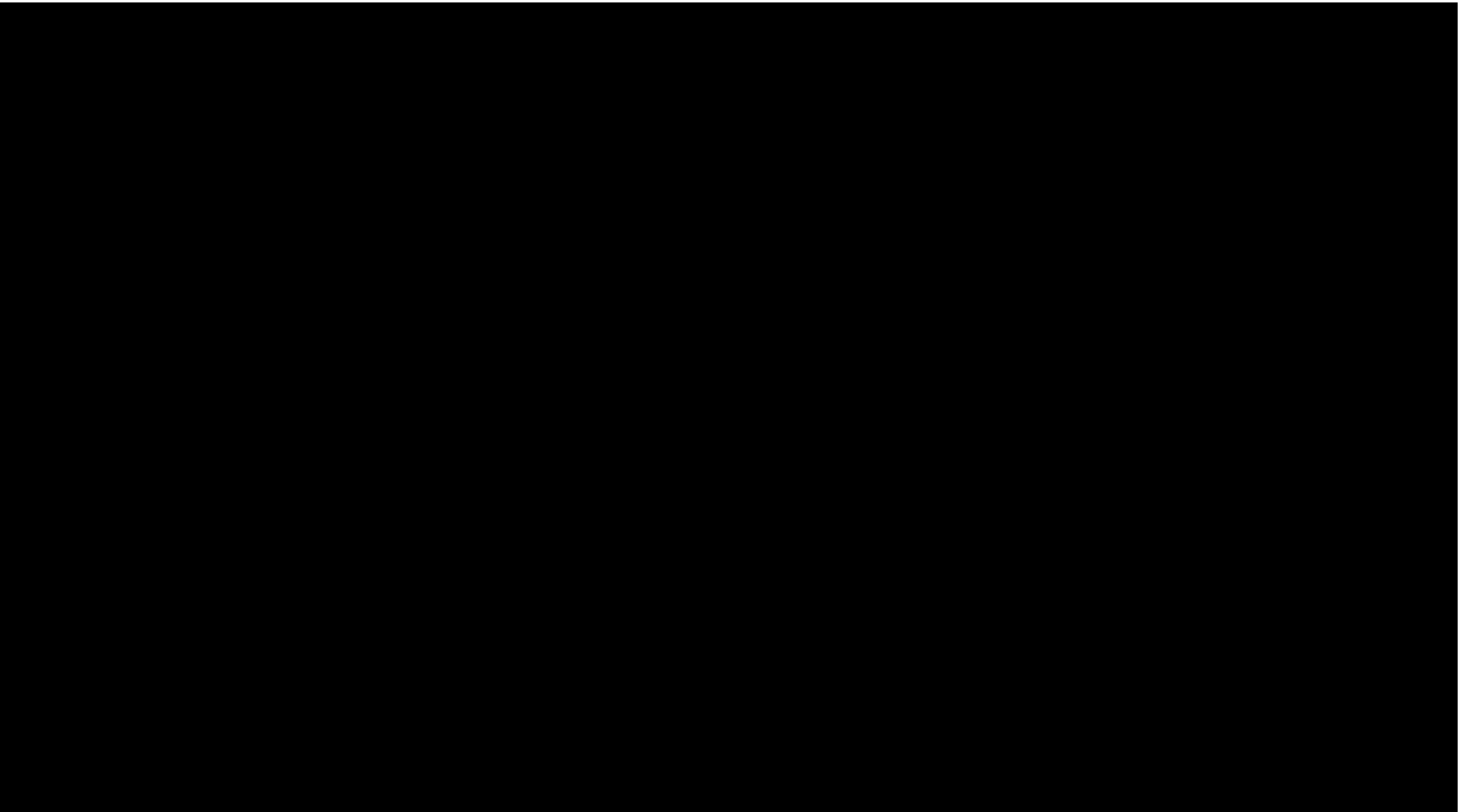
As part of the detailed optioneering process, different options were considered regarding the sole use circuits for Earba to connect to Coire Mashie substation to determine the most efficient investment option. It is important to highlight that the customer has chosen to elect underground cable circuit [REDACTED]

Table 9 sets out the criteria for assessing the options, including environmental, constructability, programme and interface. We have assessed each option against the criteria and consider whether it passes the minimum requirements to progress to detailed design.

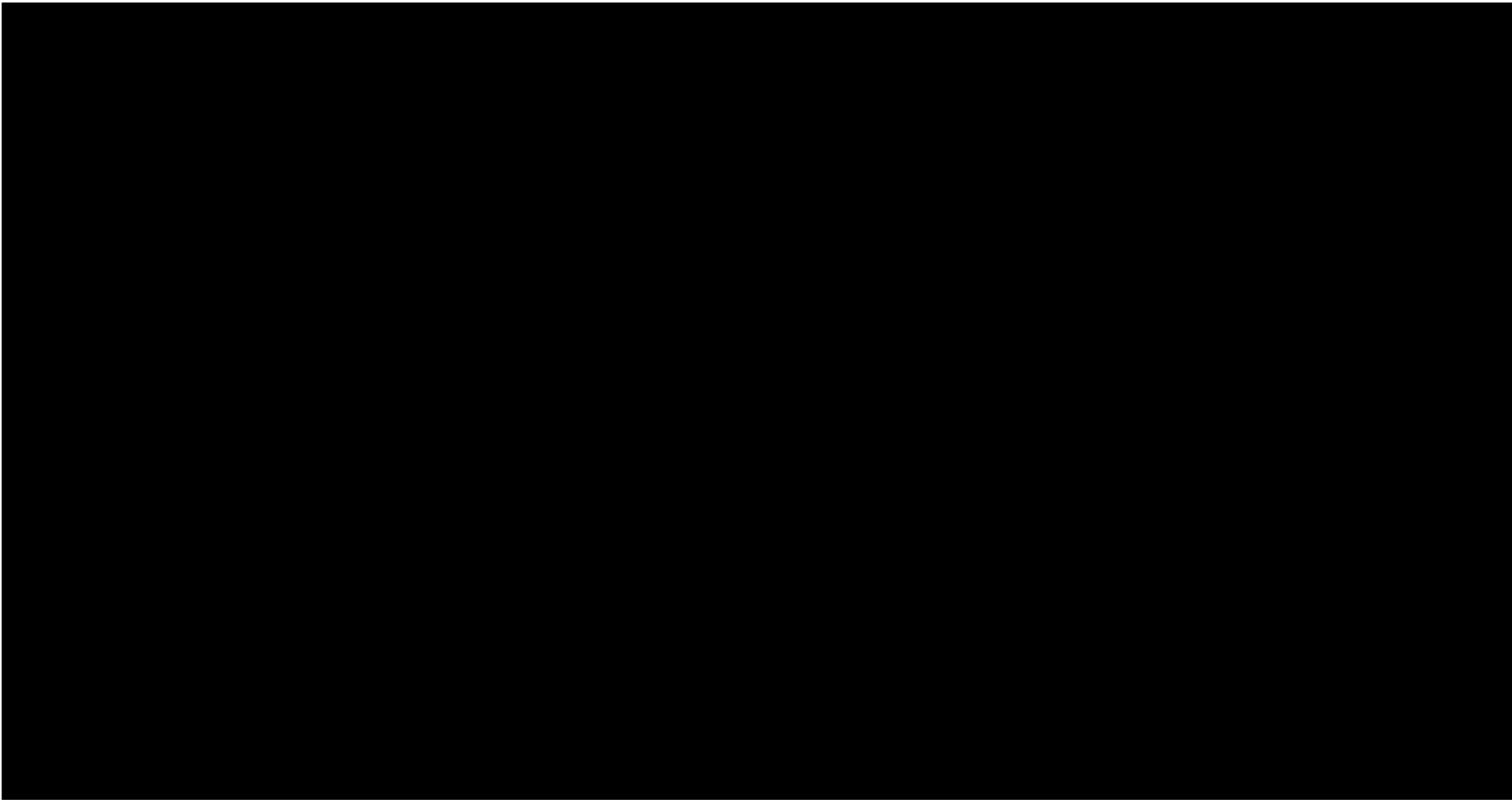
A high-level proportionate option appraisal has been carried out. This is based on the maturity of the project and information available. It outlines analysis conducted and highlights the key drivers in the optioneering decision making.



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PASE Alignment

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The non-PASE position is therefore acknowledged, but the departure from the PASE primary OHL solution is justified by clear project-specific evidence.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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4.3.3. Route Optioneering

[REDACTED]

[REDACTED]

Environmental

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

Thus, environmentally, it is considered that either the combination of Route Option 1, Route Option A, Route Option C and Route Option B3 or the combination of Route Option 1, Route Option B2 and Route Option B3 offer the route with the least constraints. Both combinations lead to Coire Mashie substation Site Option 2 if they do not continue along Route Option B3, but the use of Route Option B3 would reach Site Option 1. The key difference in the two combinations, is that the second option is highly constrained for both ornithology and visual.

Engineering

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Stakeholder Feedback

A consultation event was held on 28th May 2025: 14:30 to 19:00 at Laggan Village Hall, Newtonmore, PH20 1AN. The responses received from this event, and responses sought from statutory consultees and other key stakeholders, informed further consideration of Coire Mashie site options. The feedback however did not alter the conclusions of the May 2025 Consultation Document.

Of the route options presented and consulted on as a holistic solution, the public and local community had no feedback in relation to preference for specific UGC route options. However, preliminary work to access the potential for alignment options revealed that Route Option B2 faced very challenging technical constraints, making it unsuitable for further consideration associated with crossing the River

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Pattack and the limited opportunities to launch or receive a trenchless crossing due to steep gradients and topography. The only feasible launch and receive area in the route option was located approximately 40m upstream of the Falls of Pattack, and forestry removal would be required both on the approach to the river crossing and beyond the crossing.

Given these challenges, it was determined that an alternative route option would need to be taken forward to the alignment selection stage. Following further engineering assessment, Route Option B1 is now considered to provide the most technically achievable means of connecting to the proposed site option, offering a more feasible solution to overcome the constraints encountered with Route Option B2.

Conclusions

Therefore, following review of the consultation feedback and accounting for the additional engineering constraints associated with Route Option B2, SSEN-T concluded that the Proposed Route Option to take forwards to alignment selection stage is Route Option 1, Route Option B1, Route Option B3.

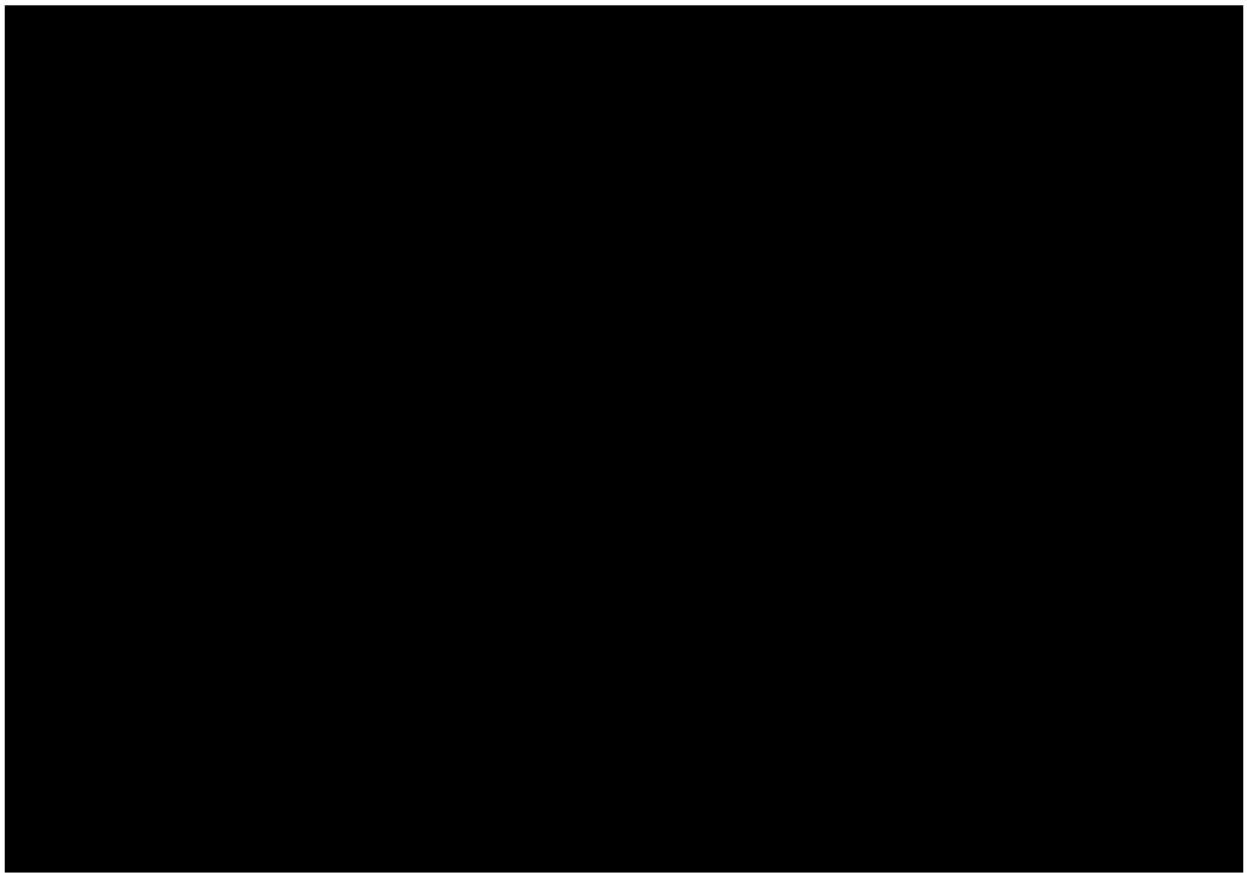
Figure 2 below covers the aligned route for the underground cables between the Earba PSH and Coire Mashie substations.

Following continued feasibility and refinements of alignment options between the northern Loch Earba dam and the assumed northern termination point at the indicative new GIS Coire Mashie substation location, to the now south of Beaully – Denny OHL, three route alignment options were summarised and developed. The assessment evaluated the construction feasibility, topography, environmental and ground conditions as well as proximity and crossings of existing infrastructure. Alignment Option 1 North and Alignment Option 2 South are therefor considered as preferred:

[REDACTED] Alignment Option 1 North [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Alignment Option 2 South [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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6. Early Cost Views and Estimates

The project is progressing towards [REDACTED] in our LCP process however due to current level of design maturity within this phase an estimate of the project costs for the preferred option [REDACTED]. The costs have been prepared on the criteria and accuracy correlated to the stage of the project in our LCP process.

[REDACTED]

[REDACTED]

This Eligibility Letter is seeking approval for need and preferred solution only, costs provided are early cost estimated and for illustrative purposes only. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Final costs will be submitted at Project Assessment. We would expect these costs to mature with the design and as we engage with the supply chain and complete our PCF activities. We have provided a breakdown of early cost estimate for the project in cost sheet in separately attached Appendix F and a high-level summary below.

[REDACTED]

[REDACTED]

[REDACTED]

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7. Delivery Timescales and Risks

7.1. Delivery Strategy and Key Milestones

To progress the development of the connection project, multiple project teams will collaborate - [REDACTED]

The table below lists out the key milestones required to deliver the project and expected timelines.

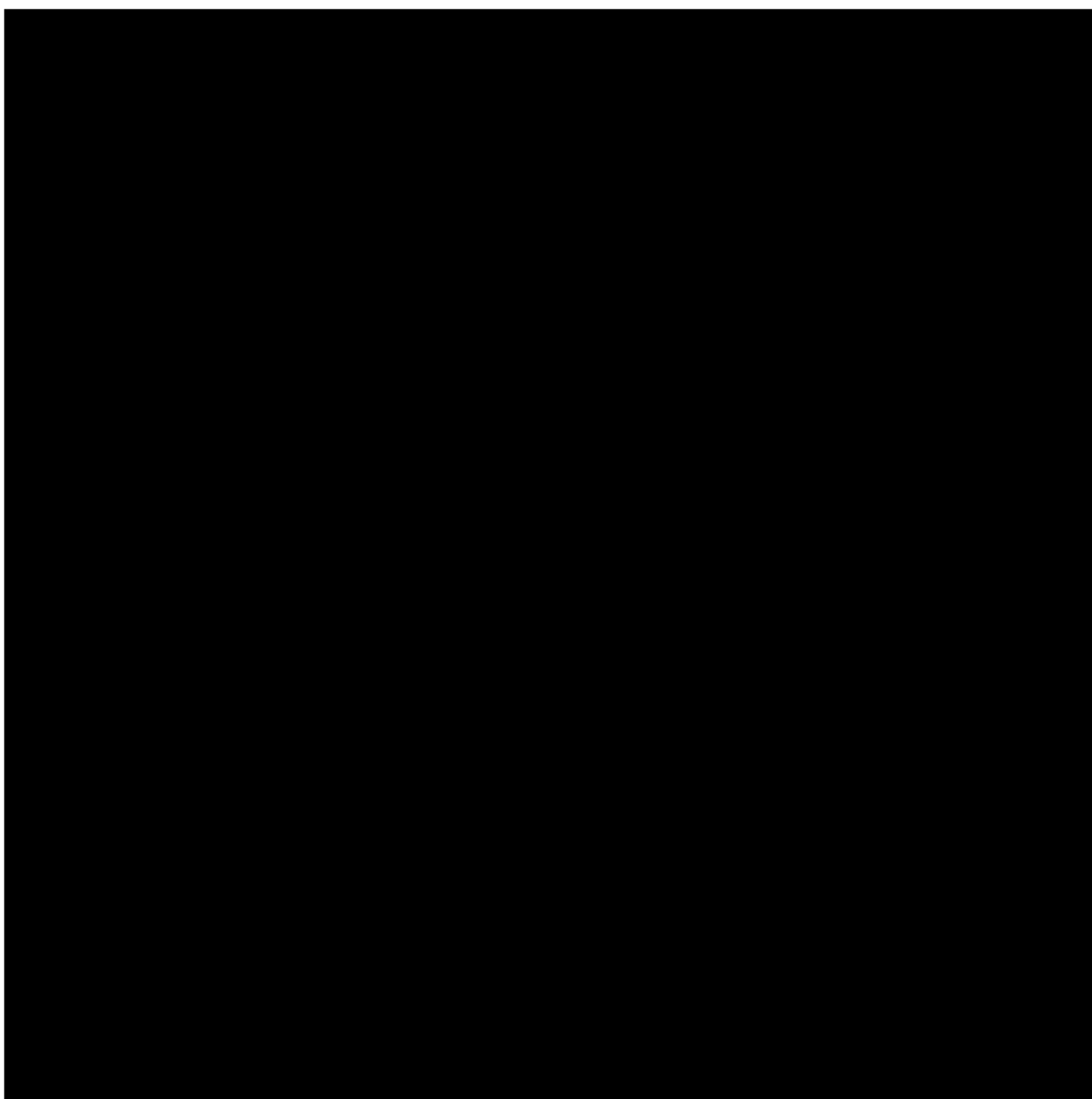
Project Stages	Date
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

7.2. Key Risks

We have listed out in the table below the key risks impacting the project and the control actions.

[REDACTED]

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7.3. Planning Requirements

Formal planning consent is required to enable the project, as summarised in Table 13 below. Consent is at early planning stages, with initial public and stakeholder consultations complete to inform site selection and routeing activities.

As stated above, the UGC was originally anticipated to be undertaken under SSEN-T permitted development rights, pursuant to Class 40(1)(a) of the Town and Country Planning (General Permitted Development) (Scotland) Order 1992, as amended. On this basis, it was not initially expected to require a separate application for planning permission or associated statutory consultation. Nevertheless, for completeness and to ensure transparency, the UGC has been included within the scope of stakeholder engagement, consultation events and project communications undertaken to date.

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In February 2026, the Court of Session's Raeshaw Farms Ltd vs Scottish Ministers decision quashed planning permission for Wull Muir Wind Farm because the decision-maker had not properly considered whether the wind farm and its grid connection should be treated as a single project for Environmental Impact Assessment (EIA) purposes. The judgment reinforced the need to consider the relationship between connected infrastructure and its environmental effects when defining the scope of an EIA.

Following the Raeshaw Farm decision, SSEN-T undertook a review of the consenting approach for the project [REDACTED] and engagement with the Energy Consents Unit and The Highland Council. Having regard to the implications of the judgement and the relationship between the UGC works and the wider project, it was subsequently determined that the UGC should be brought within the scope of the formal consenting and Environmental Impact Assessment (EIA) process.

This represents a change in the consenting route rather than a change to the underlying need for, or purpose of, the UGC. The revised approach ensures that the works are assessed comprehensively alongside the wider project and that the relevant environmental effects are considered through the appropriate statutory process.

[REDACTED]
[REDACTED]
[REDACTED]

Project Element	Legislation	Consent Type	Consenting Authority
OHL diversion	Electricity Act 1989	Section 37	Scottish Government Energy Consents Unit (ECU)
New Coire Mashie 400kV Substation/UGC/Access	Town and Country Planning (Scotland) Act 1997 as amended-	Application for full planning permission	Local Planning Authority The Highland Council [REDACTED]

Table 13: Summary of Planning Requirements

7.4. Interactive Projects

The connection of Earba PSH to the transmission network at Coire Mashie substation is dependent on the completion of the local TCA and sole use transmission works, as well as the completion of the shared use enabling works (listed below). [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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Contractor Management

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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8. Conclusion & Next Steps

This eligibility letter sets out the need, optioneering and preferred solution to support the connection of contracted Earba PSH. The scheme will deliver 1,800 MW of clean energy providing clear benefits to the consumer.

The need is justified by Earba PSH being deemed as necessary to achieve the Government's CP2030 plan, [REDACTED]

We have undertaken a detailed optioneering assessment and our preferred solution is the most economic and efficient option and presents significant value for money to the end consumer. Our preferred solution satisfies the NETS SQSS and all relevant technical requirements while remaining deliverable by the connection date [REDACTED]

Our pre-construction activities will develop these projects to the point which they can be consented and derisk the design and construction programme such that delivery timelines can be met.

The Need is clear and the Option is justified therefore the project should be placed in Track 2.

We ask that Ofgem:

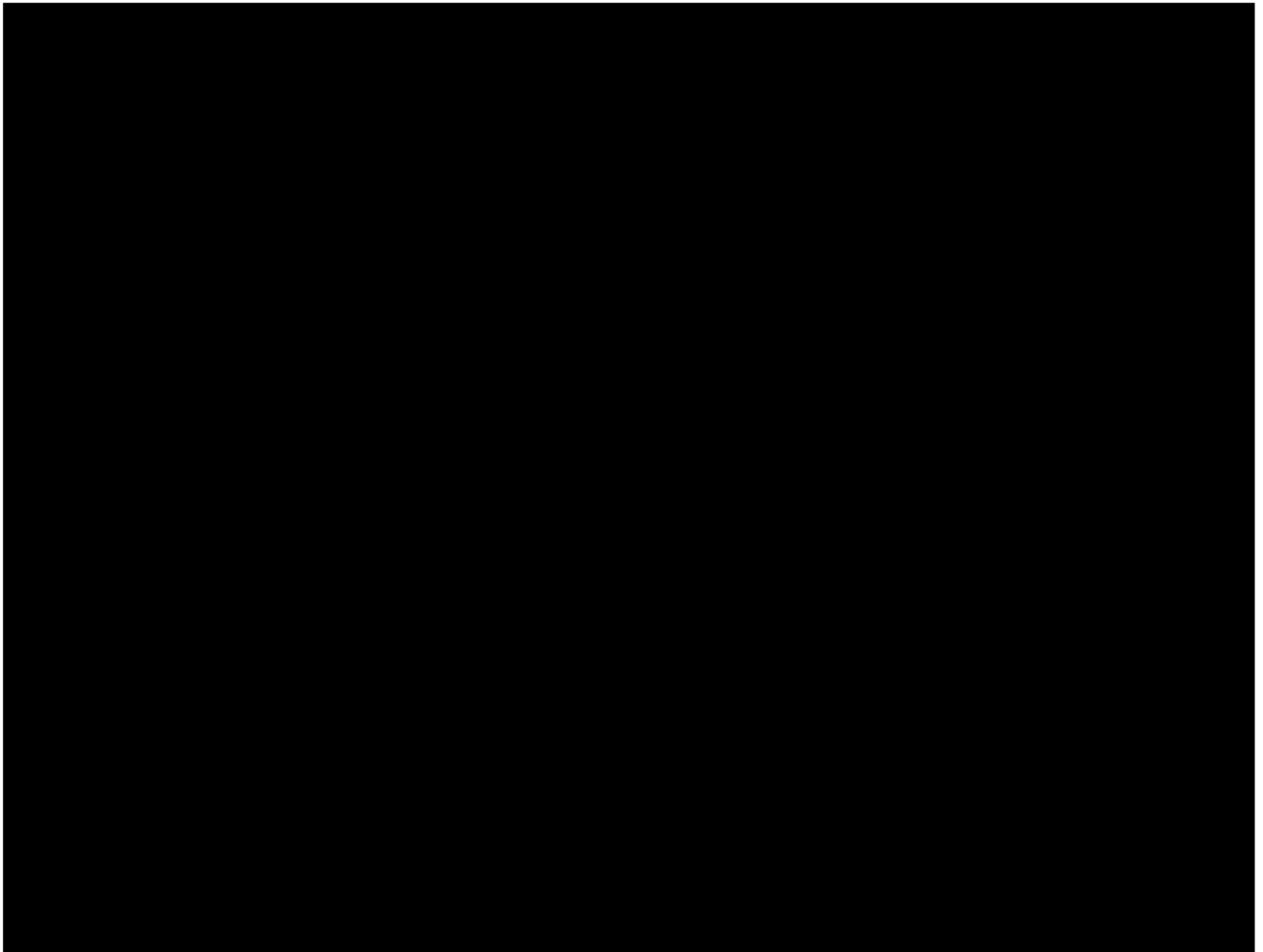
- Confirm eligibility for the LR
- Confirm Track 2 pathway for regulatory funding, progressing straight to Project Assessment
- Amend SpC 3.15 Pre-Construction Funding in line with the Final Determination decision of 8.2% PCF [REDACTED]
- Confirm that an ITA and ODI will not apply

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Appendix A System Design Table

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Appendix B Single Line Diagrams (SLDs)



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Appendix E Glossary of Terms

Acronym	Definition	Description
ANM	Active Network Management	A control system used in distribution and transmission networks to manage generation and load in real-time. Maintains system parameters such as voltage, power, phase balance, reactive power and frequency within safe limits while allowing additional generation capacity to connect without overloading the network
CAI	Closely Associated Indirect	Costs which are more directly tied to construction and operation of network assets such as project management and network design as defined within the Regulatory Instructions and Guidance (RIGs).
CAPEX	Capital Expenditure	The funds allocated to acquire, upgrade and maintain the electricity network.
CBA	Cost Benefit Analysis	A systematic approach used to evaluate benefits and disadvantages of a project.
CP2030	Clean Power 2030	The UK Governments Clean Power by 2030 Plan
CSE	Cable sealing ends	A transmission asset that enables the transition between underground or subsea cable infrastructure and the overhead transmission network.
EJP	Engineering Justification Paper	Submission made to Ofgem by ETOs setting out the scope, costs and benefits for projects or aggregated investment programmes.
G2TWQ	Gate 2 to Whole Queue	NESO developed process as part of connection reform, ensuring only projects meeting specific readiness and Strategic alignment criteria progress through the reform queue.
GW	Gigawatt	A unit for measuring electrical power
GIS	Gas Insulated Substation	A compact, high voltage substation where key components are enclosed in SF ₆ gas for insulation and arc-quenching. Suitable for space constrained areas or harsh environments.
GSP	Grid Supply Point	Interface between the transmission network and the distribution network facilitating the supply of electricity at the distribution level.
GVA	Gross Value Added	A key economic indicator that measures the value of goods and services produced in an area, industry or sector.
HVDC	High Voltage Direct Current	Technology used for transmitting electricity over long distances using direct current.
ITA	Independent Technical Advisor	Responsible for providing assurance to Ofgem on design decisions, procurement processes, cost and overall project delivery of selected load projects across all Transmission Owners.

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kV	Kilovolt	Unit of electric potential or voltage.
LDES	Long Duration Electricity Storage	Ofgem's incentive regime, where a minimum and maximum or 'cap and floor' is set for how much a company can earn from an LDES project.
Load UIOLI	Load Use-it-or-lose-it	An uncertainty mechanism in RIIO-ET3 which accelerates funding for lower-materiality load project via an allowance that can be recovered.
LR	The RIIO-T3 Load Re-opener Framework	The Load Re-opener provides Electricity Transmission Owners (ETOs) with a mechanism to request funding for load driven reinforcements.
MW	Megawatt	A unit for measuring electrical power
MVA	Mega Volt-Amperes	A unit of apparent power in electrical systems
NESO	National Energy System Operator	The independent body responsible for the planning and operation of the electricity system in Great Britain
NPF4	National Planning Framework 4	The Scottish Governments national spatial strategy for Scotland. Sets out spatial principles, regional priorities, national developments and national planning policy.
NPV	Net Present Value	The difference between the present value of cash inflows and the present value of cash outflows over a period of time.
ODD	Optimal Delivery Date	Reflects an assessment of the date on which delivery of a project would bring the most benefits for the consumers.
ODI	Output Delivery Incentive	ETO's are eligible for financial rewards if projects are delivered on or before the set date. ETO's are liable for penalties if those projects are delivered late.
OHL	Overhead Line	Typically, steel lattice towers, steel or wood poles used to carry high voltage conductors over distance.
OPEX	Operational Expenditure	Costs incurred for operational activities.
PAC	Pre-application consultation	Formal statutory requirement in Scotland under the Town and Country Planning (Scotland) Act 1997. Applicants must engage with local communities and stakeholders before submitting planning applications.
PASE	Pre-approval of solution by Engineering	A framework set by Ofgem. A set of pre-approved optioneering designs, preferred technology types and configurations that are typically efficient, deliver the lowest whole-life cost to consumers and, where applicable, build capacity for future network expansion.
PCD	Price Control Deliverable	Set by Ofgem, PCDs are used to set expectations for the outcomes of projects and to manage the timing and delivery of these outcomes.
PCF	Pre-Construction Funding	Provides Transmission Owners with funding at early stages of project development to continue to design and seek consent for large ET investments.

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SF⁶	Sulphur Hexafluoride	A synthetic gas that insulates and switches electrical current in switchgear.
SGT	Super Grid Transformers	A high-voltage power transformer located within a transmission substation that changes electricity voltage between transmission network voltage levels, enabling the efficient and reliable transfer of bulk power across the electricity transmission system.
SHET	Scottish Hydro Electricity Transmission	Responsible for the electricity transmission network in the north of Scotland.
OSR	Ofgem Scheme Reference Number	The Ofgem provides a unique value for all non0load and load related schemes.
Sole Use Works	Sole Use Enabling Works	Transmission Assets that are exclusively for a specific customers use.
SPA	Special Protected Areas	Areas part of the UK's European site network of protected areas and are designated under the Habitats Regulations.
SSEN-T	Scottish and Southern Electricity Networks Transmission	Responsible for the electricity transmission network in the north of Scotland.
SSSI	Sites of Special Scientific Interest	A formal conservation designation.
TCA	Transmission Connection Assets	Assets used to connect a customer to the grid. These are paid for by the customer.
TDD	Target Delivery Date	A determined date utilising the P50 delivery date and Optimal Delivery Date (ODD). Part of the Major Projects ODI-F framework.
TEC	Transmission Entry Capacity	Maximum amount of power in megawatts (MW) that a power station is allowed to export into the transmission grid.
TOCA	Transmission Owner Connection Agreement	The formal agreement between Transmission Owners, the NESO and the Customer. Outlining the terms and conditions for connecting to the electricity transmission network.
UGC	Underground Cable	Insulated conductors used to transfer high voltage electricity below ground. Offers reduced visual impact and utilised when OHL solution is not possible.
Volume Driver	Generation and Demand Connections Volume Drivers	Provide flexible funding for ETOs to invest in the transmission network in response to the uncertain need for new generation or demand customers to connect.

Table 16: Glossary of Terms