

**Skye Reinforcement Project**  
**Environmental Compensation Strategy**  
**July 2023**

**REF: LT91**





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## **1. INTRODUCTION**

### **1.1 Purpose of Document**

1.1.1 This Compensation Strategy sets out how Scottish Hydro Electric Transmission plc ("the Applicant"), operating and known as Scottish and Southern Electricity Networks Transmission ("SSEN Transmission"), intend to deliver the environmental compensation requirements for the Skye Reinforcement Project. It provides an overview to key statutory authorities and wider stakeholders of SSEN Transmission's commitments to delivering compensation for the Skye Reinforcement Project and the related existing substation extensions required at Broadford and Edinbane. Specific details of the compensation measures are expected to be a condition of consent and will be provided prior to construction starting on site.

### **1.2 Project Summary**

1.2.1 In September 2022, an Environmental Impact Assessment Report ("EIA Report") was prepared to accompany an application for consent under section 37 of the Electricity Act 1989 ("the 1989 Act") for the Skye Reinforcement Project (and hereafter also referred to interchangeably as "the Proposed Development").

1.2.2 The application seeks consent under section 37 of the 1989 Act to construct and operate approximately 110 kilometres (km) of new double circuit steel structure 132 kV overhead transmission line (OHL) between Fort Augustus Substation and Edinbane Substation, and approximately 27 km of new single circuit trident H wood pole (H pole) OHL between Edinbane Substation and Ardmore Substation. This electricity transmission project would also comprise approximately 24 km of underground cable, proposed by the Applicant to mitigate likely significant landscape and visual effects, or as a means of rationalising the existing OHL network. In total, the transmission connection extends over a distance of approximately 160 km.

1.2.3 The Applicant is also seeking deemed planning permission under section 57(2) of the Town and Country Planning (Scotland) Act 1997 for certain elements of the project, or ancillary works required to facilitate its construction and operation. These ancillary works will include the installation of underground cables, cable sealing end compounds, temporary and permanent access tracks, and tree and vegetation clearance.

1.2.4 Separate Town & Country Planning applications were also submitted in January 2023 for extensions to the existing Broadford and Edinbane substation required to facilitate the operation of the new 132kV OHL.

## 2. COMPENSATORY PLANTING

2.1.1 The Environmental Impact Assessment (EIA) Report submitted as part of the S37 consent application confirmed the total direct loss of woodland across the OHL project was 118 Ha. This included the following:

- Commercial Plantation – 98.36 Ha
- Semi-Natural Woodland – 11.9 Ha
- Ancient Woodland – 7.78 Ha

2.1.2 In addition to the above, a total of 1.82 Ha of conifer plantation will be lost at the existing Broadford Substation as part of the redevelopment proposals. This has been included as part of the overall compensation requirements for the Skye Reinforcement Project.

2.1.3 Scottish Forestry also requested that compensation is increased, over and above the requirements set out in the Control of Woodland Removal Policy document, for semi-natural native woodlands affected by the Proposed Development, so that it exceeds the area of semi-natural woodland removed. To achieve this, SSEN Transmission has committed to replacing all woodland losses with semi-natural compensatory planting, increasing the area of semi-natural woodland by a factor of 6. In addition, SSEN have also committed to an overall biodiversity net gain of 10%.

2.1.4 Therefore, the total amount of compensatory planting that SSEN Transmission intend to commit to is 119.86 Ha, which is summarised in the table below. Suitable sites are currently being identified and/or agreements secured.

**Table 1: Woodland Direct Losses & Proposed Compensation**

Type of Woodland	Direct Losses (Ha)	Compensation Proposed – (Ha)
Commercial Plantation (OHL)	98.36	0
Commercial Plantation (Broadford Substation)	1.82	0
Semi-Natural <sup>1</sup>	19.68	119.86
<b>Total</b>	<b>119.86</b>	<b>119.86</b>

<sup>1</sup> This includes semi natural woodland losses of 11.9Ha and ancient woodland losses of 7.78Ha

### 3. IRREPLACEABLE HABITATS

- 3.1.1 The Environmental Impact Assessment (EIA) Report submitted as part of the S37 consent application confirmed the total loss of irreplaceable habitats across the OHL site is as follows:
- Blanket and wet modified bog – 74.16 Ha (outwith Section 3 SAC)
  - Ancient woodland – 7.78
- 3.1.2 In addition to the above there will be loss of irreplaceable habitats at both Broadford and Edinbane Substations as part of the wider development. This will amount to 0.55 Ha of blanket bog and 1.67 Ha of wet modified bog at Broadford Substation, and 0.2 Ha of blanket bog at Edinbane Substation. These have been included as part of the overall compensation requirements for the Skye Reinforcement Project.
- 3.1.3 SSEN Transmission understand that some habitats are deemed ‘irreplaceable’ as they are technically very difficult to restore, recreate or replace once destroyed. In response to the losses detailed above, our biodiversity toolkit has been used to calculate the mitigation required for these irreplaceable habitats ensuring more habitat is restored than is lost.
- 3.1.4 It has been calculated<sup>2</sup> that an area of around 377 Ha of poor condition peatland, restored to good condition, with a time to target of 15 years will be required to account for the biodiversity losses for the blanket and wet modified bog irreplaceable habitat.
- 3.1.5 It has been calculated<sup>2</sup> that an area of 23.34 Ha of replanting / restoration on a PAWS will be required to account for the biodiversity losses for this irreplaceable habitat. This is in addition to the 7.78 Ha of semi-natural woodland planting that will be delivered through the Control of Woodland Removal Policy detailed in Chapter 2 above.
- 3.1.6 By following this approach, we will reduce our impacts on these important habitat types and achieve a long-term positive impact. Suitable sites for these habitat enhancements are currently being identified.

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<sup>2</sup> Calculated using the SSEN BNG Toolkit

## 4. KINLOCH AND KYLEAKIN HILLS SAC

- 4.1.1 The shadow Habitats Regulations Assessment (HRA) submitted as part of the EIA Report in September 2022 concluded that an adverse effect on the integrity of the Kinloch and Kyleakin Hills SAC is likely as a consequence of the loss and modification to qualifying habitats including oak woodland, blanket bog, wet heath and dry heath. This means that compensation will be required as part of the Habitats Regulations derogation process to ensure that the overall coherence of the Natura network and contribution to favourable conservation status is maintained.
- 4.1.2 After consideration of mitigation, the worst case scenario of habitat loss and modification predicted out of either of the two alignment options (proposed and alternative alignment) are as follows:
- Western acidic oak woodland – 0.86 Ha loss
  - Dry heath – 0.88 ha loss
  - Wet heath – 10.38 ha loss
  - Blanket bog – 4.69 ha loss
- 4.1.3 The extent of compensation may be dependent on the compensation ratio, which has yet to be agreed with the determining authority, in consultation with NatureScot. However, the overall aim would be to create, restore, maintain and enhance the relevant qualifying habitats to favourable condition to fully compensate for the impacts on the qualifying habitats with respect to their conservation objectives.
- 4.1.4 A detailed compensation plan<sup>3</sup> specific to the SAC has been submitted to the consenting authorities to inform the derogation case. In selecting appropriate compensation areas, habitat extents over and above that required to compensate the predicted impacts may be restored and/or created thereby delivering further and significant ecological benefits. DEFRA 2021 guidance<sup>4</sup> notes that, 'You must be confident that the measures will fully compensate for the negative effects of the proposal. You do not need to consider more compensation than is needed'. It is intended that any 'additional' compensation will be used by SSEN Transmission to support biodiversity enhancement in relation to the Skye Reinforcement Project, or other projects in their portfolio.

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<sup>3</sup> MacArthur Green, (27 July 2023). Skye Reinforcement Project, Kinloch & Kyleakin Hills SAC, Compensation Plan (Compensatory Measures, Timescales & Monitoring).

<sup>4</sup> Natural England, Welsh Government and Natural Resources Wales (24 February 2021) Habitats regulations assessments: protecting a European site - GOV.UK ([www.gov.uk](http://www.gov.uk)). Commissioned by DEFRA.

## 5. BIODIVERSITY NET GAIN (BNG)

- 5.1.1 A Biodiversity Net Gain (BNG) assessment has been undertaken on the Skye Reinforcement Project using the SSEN Transmission biodiversity toolkit on all areas of non-irreplaceable habitat. In line with our guidance, areas of irreplaceable habitat and designated sites are excluded from the assessment but are accounted for by separate assessment (refer to Section 3 and 4 above).
- 5.1.2 The biodiversity baseline has been calculated in Biodiversity Units (BU). Permanent and temporary (greater than two years) losses as a result of the Proposed Development have been assessed. Reinstatement measures of those areas which will be temporary and other mitigations set out within the EIA Report were considered to determine the residual impact on biodiversity. Due predominately to the permanent retention of some access tracks a loss in BUs was identified.
- 5.1.3 SSEN Transmission is committed to protecting and enhancing the environment by minimising the potential impacts from construction and operational activities. As part of this approach, SSEN Transmission has committed to positively contribute to the UN and Scottish Government Biodiversity strategies by achieving an overall 10% increase of biodiversity scores for this development.
- 5.1.4 The biodiversity losses are summarised in Table 2 below. The total loss is calculated as 402.87 BU along the whole route of the OHL. Additional losses due to the required extensions of the existing Broadford and Edinbane Substations was calculated as 2.10 BU and 2.36 BU respectively. Therefore, the total loss calculated for all elements of the required infrastructure upgrade for the Skye Reinforcement Project is 407.33 BU.
- 5.1.5 The specific baseline (prior to proposed development) is 2738.29. Therefore, the total amount of biodiversity compensation that will be delivered to achieve 10% Net Gain will equate to 681.16 BU (loss plus 10% over baseline).

**Table 2: Biodiversity Unit Losses & Proposed Compensation**

Project Element	Calculated Baseline BU's	Additional BU's required over baseline to achieve 10% net gain	Biodiversity Unit (BU) Losses	Compensation Proposed (BU)
OHL	2685.17	268.52	402.87	671.39
Edinbane Substation	36.30	3.63	2.36	5.99
Broadford Substation	16.82	1.68	2.10	3.78
<b>Total</b>	<b>2738.29</b>	<b>273.83</b>	<b>407.33</b>	<b>681.16</b>

- 5.1.6 SSEN Transmission will deliver this via the following mechanisms:
- *Compensatory Planting Schemes*
- 5.1.7 All sites identified as being suitable for compensatory planting with mixed broadleaved species will be subjected to an assessment using the SSEN Transmission biodiversity toolkit to ensure the schemes provide positive biodiversity outcomes. Any net gain in biodiversity at these sites will be considered as project gains and counted towards the overall project biodiversity score.



- *Kinloch and Kyleakin Hills Compensation Scheme*

5.1.8 The compensation measures in relation to the SAC under the Habitats Regulations will be subjected to a biodiversity net gain assessment using the SSEN Transmission biodiversity toolkit. It is proposed to count a maximum of 90% of the biodiversity units gained from this specific compensation towards the overall project biodiversity net gain calculations. This is in line with the recent Defra consultation and responses dated January 2022 and February 2023 respectively<sup>56</sup>.

- *Additional Compensation Schemes*

5.1.9 To meet our stated BNG commitments, further schemes, both on-site and off-site will be identified where necessary. Further opportunities to locally enhance biodiversity are also currently being explored with local landowners and community groups which will lead to further positive effects for biodiversity from the project.

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<sup>5</sup> Consultation on Biodiversity Net Gain Regulations and Implementation\_January2022.pdf (defra.gov.uk)

<sup>6</sup> Government response and summary of responses - GOV.UK (www.gov.uk)

## 6. CONCLUSION

6.1.1 This report sets out how SSEN Transmission intend to deliver the environmental compensation requirements for the Skye Reinforcement Project. A summary of these measures is as follows:

- Compensatory planting - a total of 119.86 Ha of mixed semi-natural woodland planting will be undertaken to replace the loss of 100.18 Ha of commercial plantation, and 19.68 Ha of semi natural and ancient woodland;
- Blanket and wet modified bog - an area of around 377 Ha of poor condition peatland will be restored to good condition, with a time to target of 15 years to compensate for the 76.60 Ha of blanket and wet modified bog losses across the site;
- Ancient woodland – replanting an area of 23.34 Ha on a PAWS will achieve the biodiversity units lost from 7.78 Ha of ancient woodland felling required across the site;
- Kinloch and Kyleakin Hills SAC – a detailed compensation plan, specific to the losses within the SAC, has been submitted to the consenting authorities; and
- BNG – Total BNG losses have been calculated for the OHL and substation extensions at Broadford and Edinbane. SSEN Transmission will compensate these losses plus a 10% net gain overall for the project. This will be delivered via compensatory planting, restorative works within and/or adjacent to the Kinloch and Kyleakin Hills SAC, and any further additional schemes required to meet our commitment.

6.1.2 The specific details of the compensation measures are expected to be a condition of consent and will be submitted to the determining authority and other relevant consultees prior to construction starting on site.

6.1.3 At SSEN Transmission we recognise that as we develop and maintain the transmission network in the north of Scotland our work can interact with sensitive habitats. With this comes a responsibility to design, build and maintain our assets in a manner which protects and enhances the natural environment.