Station Name: Lewis Wave Connection Site/GSP: Stornoway

Company Name: SHEPD MITS Substations: Beauly

Derogation Report Ref: 12-DR-304-B2-Rev1

Part 1: Technical Description of Non Compliance [To be completed by the relevant Transmission Owner.]

| Relevant  |  |  | Initial Conditions  |   |  |   |   |
|---|--|--|---|---|--|---|---|
| Paragraph(s) of<br>NETS Security and<br>Quality of Supply<br>Standard | Cause  | Part of<br>System<br>Affected  | System Intact   | Circuit<br>Outage                         | Interim<br>Operational<br>Solution   | Long Term Solution, to include brief description of access requirements.  | Derogation<br>Expiry Date   |
| NETS SQSS Section 4<br>Clauses 4.4 – 4.10                             | Trip of Kintore – Tealing/Kincardine 275kV double circuit line (pre East Coast 400kV upgrade)  Trip of Kintore – Alyth double circuit line.  Trip of Beauly- Denny double circuit line | Overload of Kintore –Tealing 275kV double circuit line  Overload of Errochty 132kV network | System intact at ACS peak demand  System conditions expected to arise in the course of a year | None<br>Typical planned<br>outage pattern | NETSO operational measures in operational timescales in accordance with Section 5 of the NETS SQSS | SHETL to develop and construct the following transmission reinforcements:  i) SHETL-RI-009: East Coast 400kV upgrade  ii) SHETL-RI-025a: Rothienorman – Peterhead 400kV upgrade  iii) SHETL-RI-025b: Peterhead – Hawthorn Pit (East Coast) 2GW HVDC link  iv) SHETL-RI-025c: Peterhead 400kV busbar  v) SHETL-RI-026: Blackhillock Quad Boosters on double circuit line from Knocknagael  vi) SHETL-RI-033: Second East Coast 2GW HVDC Link  vii) SHETL-RI-038: Errochty 132kV system reconfiguration  Completion dates subject to consents and regulatory approval | Derogation is sought until completion of listed long-term reinforcement solutions.  Derogation triggered by advancing generator connections via connect and manage arrangements |

See 2010 Seven Year Statement Figure C.1.5 – "SHETL Forecast Power Flows at Winter Peak, 2015/16" for network configuration

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Part 2: Expected Consequence of Non -Compliance. [To be completed by the System Operator, with reference to appropriate Transmission Owner.]

| Value of Carbon Benefit (£k),        |    |
|--------------------------------------|----|
| (including time period over which    |    |
| cost benefit is calculated).         |    |
| Summary of proposed System           |    |
|                                      |    |
| Operator actions to manage non-      |    |
| compliance.                          |    |
| To include:                          |    |
| pricing assumptions.                 |    |
| Description of diversity within the  |    |
| group (not to include reference to   |    |
| particular projects)                 |    |
| User agreements for services such    |    |
| as energy management or intertrips.  |    |
| Contribution of project to wider non |    |
| compliance at boundary level.        |    |
|                                      |    |
|                                      |    |
|                                      |    |
|                                      |    |
|                                      |    |
|                                      |    |
|                                      |    |
|                                      |    |
|                                      |    |
| Estimated range of costs to manage   |    |
| non compliance (£k). To include time |    |
| period over which costs are          |    |
| assessed.                            |    |
|                                      |    |
| Description of risk due to network   |    |
| non compliance.                      |    |
| e.g. constraint increase due to      |    |
| project delay                        |    |
|                                      |    |
|                                      |    |
|                                      | IL |