Past Issues

SR Monthly Briefing

| A round-up of the work SR is doing on your behalf |



Dear Member,

This issue of Scottish Renewables' Monthly Briefing highlights the publication of the <u>Barclay Review of</u> <u>Non-Domestic Business Rates</u>.

A number of recommendations from <u>Scottish</u> <u>Renewables' evidence</u> are reflected within the report's recommendations, including a proposed review of Plant & Machinery regulations, with a particular focus on renewables.

We've since written to Ministers urging them to act quickly upon these recommendations and calling for the relief put in place earlier this year for renewables subjects to be maintained until the Plant and Machinery review is complete.

At SR we'll continue to work hard to secure the optimal outcome for our members and ensure the ratings system is consistent, up-to-date and transparent for all businesses in Scotland.

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Systems & Storage

Energy Networks Association: Open Networks

The first consultation from this ENA project focuses on <u>Commercial Principles for</u> <u>Contracted Flexibility</u>.

The paper examines how our system can maximise the use of DER assets, deliver access to markets for all parties, encourage new business models and maximise the benefits of competition and third-party involvement.

The ENA is seeking views on how to ensure that the creation of a smart electricity grid enables new markets and opportunities for distributed energy technologies and services.

Scottish Renewables will be responding to this consultation. If you have any comments please contact <u>Michael Rieley</u>.

Ofgem: Significant Code Review

<u>Ofgem has officially launched a significant code review</u> to consider changes to residual charging and other 'embedded benefits'.

It is expected that a residual charges working paper will be published in Q4 2017. A

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Scottish Renewables will be engaging with Ofgem throughout the process. Contact <u>Michael Rieley</u> for information.

National Grid: Open Letter

Following industry feedback National Grid has <u>published an open letter</u> to clarify the arrangements for 'Reflecting Variations in Offshore Transmission Owner (OFTO) Revenue in Offshore Local TNUoS Tariffs'.

Ofgem consults on proposal to issue fines to DNOs

Ofgem has published a consultation on its proposal to fine DNOs a total of £139m.

The consultation comes following Ogem's annual consultation on its 'Incentive on Connections Engagement' (ICE) – set out to encourage DNOs to provide a good level of service and engagement to customers.

DNOs submitted evidence in May this year, and <u>Scottish Renewables submitted a</u> <u>response</u>.

Stakeholders have until September 18 to provide Ofgem with further evidence to inform their final decision. Please direct any queries to <u>Hannah Smith</u>.

Economics & Markets

Cost of Energy Review

Professor Dieter Helm has been appointed to chair <u>an independent review into the</u> <u>cost of energy</u>.

Professor Helm will be supported by an advisory panel which includes Richard Nourse, Managing Partner of Greencoat Capital and Isobel Sheldon, Engineering and Technology Director of Johnson Matthey Battery Systems.

Scottish Renewables will be working alongside other UK trade associations to ensure that the review is presented with relevant evidence on the low cost of energy

Barclay Review of Business Rates

As set out in our introduction, August saw the publication of the <u>Barclay Review of</u> <u>Business Rates</u>.

A number of recommendations from <u>Scottish Renewables' evidence</u> are reflected within the report's recommendations, including:

- The introduction of three-yearly revaluations from 2022, with values based on market conditions on a date one year prior
- A proposed review of Plant and Machinery regulations, with a particular focus on renewable energy
- A recommendation to improve transparency, via a statutory body if necessary.

More detail <u>can be found in our blog</u> and <u>in our media reaction</u>.

Following this, Scottish Renewables has written to Ministers, urging them to act quickly upon these recommendations and calling for the relief put in place earlier this year for renewables subjects to be maintained until the Plant and Machinery review is complete.

Contact Policy Manager Hannah Smith for more information.



Planning & Consents

Scottish Planning Consultation

Scottish Renewables' response to the Scottish Government consultation on '<u>Places</u>, <u>people and planning</u>: <u>Position Statement</u>' and its Strategic Environmental Assessment is <u>now available</u>.

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Please contact <u>Michael Rieley</u> if you would like to discuss.

SEPA Consultations

SEPA has recently launched two consultations, both with a deadline of November 3, 2017:

- Revision of the Environmental Regulation (Scotland) Charging Scheme
- <u>New Compliance Assessment Scheme</u>

Scottish Renewables plans to respond. If you would like to input, please contact <u>Hannah Smith</u>.

Local Development Plans: East Ayrshire Council

East Ayrshire Council is consulting on <u>a range of supplementary guidance</u> <u>documents</u> including heat generation, planning for wind energy and non-statutory guidance on community benefits from wind energy development.

The deadline for responses is October 13. Please contact <u>Michael Rieley</u> if you have any comments.

SNH wild land blog and report

SNH has published a <u>review of the social, economic and environmental benefits and</u> <u>constraints linked to wild land in Scotland</u>. A separate <u>blog</u> sets out the thoughts of Policy and Advice Manager Simon Brooks on the same issue.

SNH: Scoping an Upland Vision

SNH has published <u>Scoping a Strategic Vision for the Uplands</u>. The report includes a number of broad recommendations which could inform the development of an uplands vision if ministers decide to proceed.

Scottish Renewables will engage with SNH and relevant officials as the recommendations of this report are considered. If you have any comments please

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Offshore Renewables

Media reactions

Scottish Renewables' responded to two media stories featuring offshore renewables in August:

- That the MeyGen project in the Pentland Firth had <u>set a world record for</u> <u>monthly production</u>
- New analysis which showed the planned Neart na Gaoithe offshore wind farm could deliver an economic impact of £827 million over its 30-year life.

Onshore Renewables

RHI Regulations

The UK Government laid <u>new RHI legislation</u> before parliament on August 30. It will come into effect on September 20, 2017.

A number of changes have been introduced following the draft regulations laid earlier this year, including:

- Alignment of non-domestic biomass tariff and changes to load factor from 15% to 35%
- New degression triggers until July 2018
- New tariffs for domestic RHI.

Contact Policy Manager <u>Hannah Smith</u> for more information.

Media reactions

Scottish Renewables reacted to news this month that:

- A new development at the former Johnnie Walker bottling plant in Kilmarnock, East Ayrshire, <u>will include a renewable energy centre and geothermal heating</u> <u>system</u>
- <u>The Scottish Government has announced £4.4 million of funding to improve</u> <u>energy efficiency and install renewable energy technologies in homes.</u>

Letter to BEIS and Ofgem: Ensuring the Feed-in Tariff works as intended

<u>Scottish Renewables, along with a group of other trade associations, has written to</u> <u>BEIS and Ofgem</u> setting out our concerns over unintended consequences of Ofgem's guidance for suppliers which may impact the maintenance of FiT projects.

Current wording suggests that where certain equipment is replaced, a generator risks decommissioning the site.

Please direct any queries to Hannah Smith.

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