

SR Monthly Briefing

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



Dear Member,

As you may know, the UK Government has published a [consultation on the future of the Feed-in Tariff \(FiT\)](#) and [a call for evidence on the future of small-scale, low-carbon generation](#).

These long-awaited documents confirm its intent to close the FiT to new applicants on 31 March 2019 and set industry the challenge of recommending alternative ways small-scale renewable energy could be supported.



While not unexpected, these publications generate further uncertainty over the future direction of policy for these technologies and are likely to result in a gap in support that will be challenging to navigate.

August's Monthly Briefing contains more detail on this important issue.

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GENERAL



Call for Evidence: Publicly Owned Energy Company

The Scottish Government's Economy, Jobs and Fair Work Committee has issued a call for views on the potential role and remit of a Publicly Owned Energy Company to support local and community projects.

Scottish Renewables will be responding. Please contact [Peter Speirs](#) to feed-in.



SR visits Orkney

Scottish Renewables Chief Executive Claire Mack and Deputy Chief Executive Jenny Hogan visited Orkney last month and found “a remote but forward-thinking testbed for the future of energy”.

Read more about their trip in [this blog](#), and find out why a comment from a hotel receptionist provided heartening news for the industry.

Member survey

Thanks to everyone who filled in our 2018 Member Survey, which closed on Friday.

We had more than 120 responses, with some key findings being:

- 44% of recipients said they expect the number of people employed by their organisation to grow in the next 12 months
- Respondents said 'UK Government policies/regulation' provided the biggest challenge to their businesses over the past 12 months.

We'll now take more time to analyse the results and use them to inform our work going forward.

The [winner](#) of the prize draw for two tickets to a Scottish Renewables conference is [Mark McRae of chartered accountants and business advisers Martin Aitken & Co.](#)

ECONOMICS & MARKETS



Consultation: Business Rates

The Scottish Government has [launched a consultation on implementing the elements of the Barclay Review of Non-domestic rates](#) which require primary legislation, ahead of the introduction of a Bill during the current term of Parliament.

Areas of relevance requiring primary legislation include the move to three-yearly evaluations, reform of the appeals system and the implementation of the General Anti-Avoidance Rule. The consultation will close on 17 September.

Our Economics and Markets Member Network will meet on 9 August (from 10am-noon in Scottish Renewables' office) to discuss this and other matters arising. Please [RSVP](#) if you'd like to attend.

SR launches DSO Markets Task Force

Scottish Renewables is launching a task force to consider industry requirements for commercial arrangements under the upcoming DSO transition.

More detail will be given at our Economics and Markets Member Network on 9 August. Please [RSVP](#) to attend or direct queries to [Hannah Smith](#).

Feed-In Tariff

As discussed above, the UK Government issued a [consultation](#) and a [call for evidence](#) on the future of the Feed-in Tariff last month.

Government sets out its position that: "Small-scale low-carbon electricity generation, where it is on balance beneficial to government's objectives and the electricity system, should compete independent of direct subsidy and its own merits on a level playing field with other electricity generation technologies through competitive market-based solutions."

[Our blog tells you what you need to know](#), and a member meeting was held on 31 July to discuss next steps. You can also find out more about the planned FiT closure and discuss what that means for the sector at [Scottish Renewables' Solar Conference in Edinburgh on 4 September](#).

CfD Pot 2 announcement

The UK Government last week [announced](#) that the next Pot 2 Contracts for Difference auction will take place "before May 2019", and that auctions will take place every two years thereafter.

The total budget (announced in 2017) is £557 million, which we estimate could stretch to three or four auctions between now and 2025.

[Responding](#), Jenny Hogan, Deputy Chief Executive at Scottish Renewables, said: "Developers and supply chain companies across Scotland can now plan for projects over the next decade with more certainty."

Ofgem decision on RIIO 2 Framework

[Ofgem has published its decision on the RIIO 2 framework consultation](#). It aims to lower returns for network companies, ensure competition drives value for consumers and support innovation.

Scottish Renewables' response to the original consultation [can be found here](#).



Meeting with UK International Trade Minister

Director of Communications Nick Sharpe and Policy Officer Joe Mitchell met George Hollingbery MP, Minister of State for Trade Policy at the Department for International Trade, to present SR members' views on trade arrangements post-Brexit.

SR made points around continued access to innovation and commercialisation funding, the role of the European Investment Bank and movement of skilled labour.

While uncertainty remains one of few certainties, the Minister did express the view that the EU's Single Energy Market is likely to be one area in which business as usual is most sustainable.

Please [contact Nick](#) if you'd like to find out more about the meeting.

PLANNING & CONSENTS



Consultation: South Lanarkshire Local Development Plan 2

South Lanarkshire Council has launched a [consultation](#) on its proposed Local Development Plan 2 which includes supporting planning guidance on renewable energy.

This consultation closes on Friday 21 September. For more information contact [South Lanarkshire Council](#). If you would like to discuss, please contact [Stephanie Conesa](#).

Eskdalemuir Working Group

The reconvened Eskdalemuir Working group held its second meeting last month to discuss the current process for allocating noise budget and potential changes to this policy. Scottish Renewables Policy Manager Stephanie Conesa sits on this group and was in attendance.

Please [get in touch](#) if you would like to discuss.



Heads of Planning Scotland Position Statement on Financial Guarantees

HoPS has drafted a [Position Statement on Financial Guarantees](#). This document was originally written in relation to mining works but has recently been updated with a wider scope including renewable energy development. Scottish Renewables has submitted [comments](#) to this draft statement.

If you would like to discuss, please contact [Stephanie Conesa](#).

Assessing the Impact of Repowered Wind Farms on Nature consultation

SNH has published a consultation draft of its repowering guidance: [Assessing the Impact of Repowered Wind Farms on Nature](#). Scottish Renewables has prepared a [first draft response](#) for member feedback.

Please send any comments on this to [Stephanie Conesa](#) by Friday, 10 August.

GRID & SYSTEMS



Consultation: DSO Transition

As part of the Open Networks Project, the [Future Worlds Consultation](#) has been launched. This is a major step towards creating a regulatory framework to enable a smarter, more flexible and decentralised energy system.

The consultation seeks industry views on five models, known as the Future Worlds, which present a range of options for the structure of electricity networks and models by which a DSO could operate.

[More information is available here](#), and you can also to [register to join an event or webinar](#) (Event in Edinburgh on 29 August).

Scottish Renewables will be responding to this consultation. Please contact [Hannah Smith](#) for further information or if you would like to be involved in our drafting.

Consultation: reforming network access and forward-looking charging arrangements

Ofgem do not think the current approaches to allocating and using capacity – and charging for the associated network usage – on the electricity networks can adequately address the challenges and opportunities associated with the changing energy system.

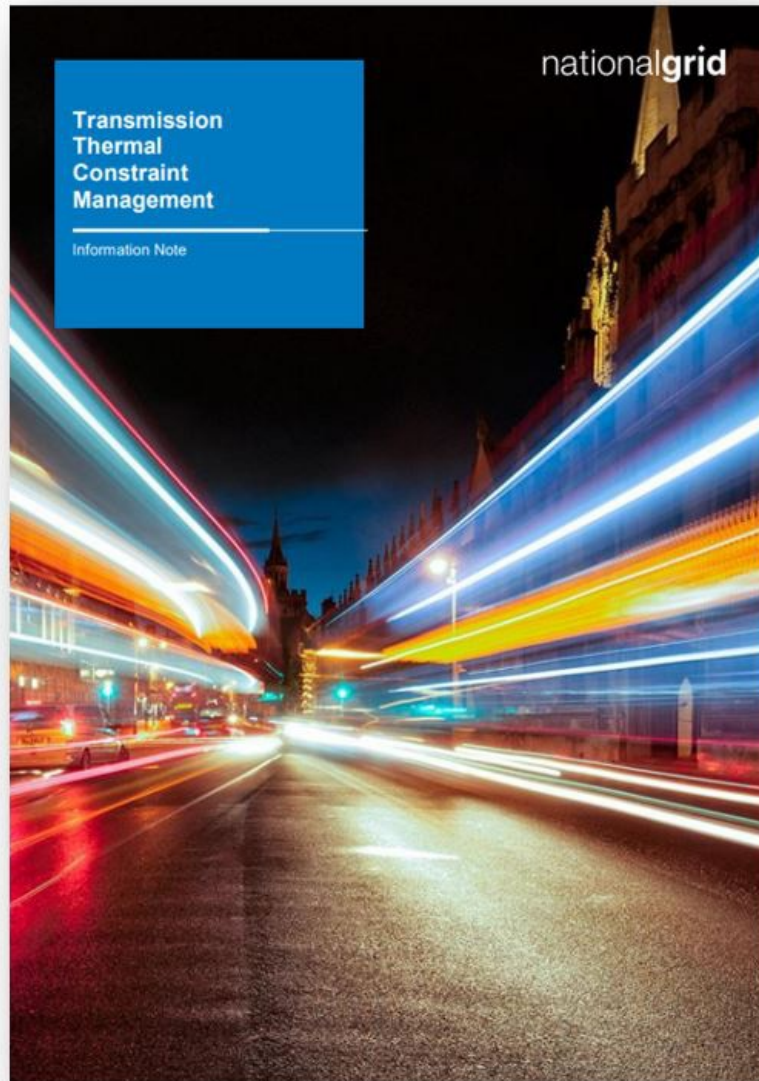
In [this consultation](#), the organisation sets out its views on the key problems with the current arrangements, the options it should prioritise in addressing these problems, and how these should be taken forward.

The consultation will close on 18 September. Please contact [Hannah Smith](#) with any comments.

Consultation response: Incentive on Connections Engagement

As part of the [Incentive on Connections Engagement \(ICE\)](#) process, DNOs must provide evidence that they have engaged with their connection stakeholders and responded to their needs. If they fail to do this, they could incur a penalty.

Scottish Renewables has submitted a [response](#) to Ofgem about how distribution network operators (DNOs) engage with their connections stakeholders to ensure they are delivering a service that meets these customers' needs.



Transmission Thermal Constraint Management

National Grid has issued [an information note](#) on how it plans to procure thermal constraint management services in future.

The note aims to encourage more potential providers to participate in National Grid's services, discuss its plans for Thermal Constraint Management on the transmission system and signpost future developments, including considering distribution-level solutions to transmission system needs in the Network Options Assessment.

LOW-CARBON HEAT





Call for Evidence: Review of Energy Standards

The Scottish Government [has launched a call for evidence](#) on tightening the energy requirement of domestic and non-domestic new-build standards with a view to delivering lower emissions from new buildings.

SR is recommending that all new buildings be constructed with low-carbon heating systems from 2021, and we would like to commission some research to support this. Please get in touch with [Fabrice Leveque](#) if you are able to help fund or carry out this work.

CMA says district heat networks must be regulated

The Competition and Markets Authority (CMA) has [published the final findings](#) of a seven-month study which set out to establish whether heat network customers are getting the right level of protection.

The report says that despite most customers being satisfied with the quality and pricing of heat services, some issues have emerged on privately owned networks.

SR Off-gas Grid Action Plan

We have finalised [a set of recommendations for UK and Scottish Governments](#) to support off-gas grid heat as the end of the RHI approaches.

The key recommendations are for incentives coupled with a phase-out of high-carbon heating (coal, oil and LPG) from 2025. We will be making the case to Scottish Government and political parties over the summer. Please [let us know](#) if you would like to be involved.

Consultation response: Energy Efficient Scotland

Scottish Renewables has submitted a [response](#) to a consultation on the Energy Efficient Scotland programme. It sought views on proposals to introduce minimum energy efficiency standard in rented and privately owned homes and set out how new standards will be introduced for non-domestic buildings.

SR's response focuses on the lack of detail regarding the role of low-carbon heat in the programme.

Please contact [Fabrice Leveque](#) with any questions.

Consultation Response: Energy Efficiency Standard for Scottish Social Housing 2

Scottish Renewables has submitted a [response](#) to the Scottish Government [consultation](#) on a new energy efficiency standard for social housing post-2020

(ESSH2).

Please contact [Fabrice Leveque](#) with any questions.

ONSHORE RENEWABLES



Solar Member Network Meeting

Scottish Renewables Solar Member Network met on 25 July to discuss pressing policy issues and feed back on matters relevant to the sector.

A summary note of the meeting is available [here](#).

Media reaction: National Infrastructure Assessment

The UK's first National Infrastructure Assessment, published by The National Infrastructure Commission last month, urged the UK Government to continue to provide support for onshore wind, solar and energy efficiency.

[Responding](#), Fabrice Leveque, Senior Policy Manager at Scottish Renewables, said: "Onshore wind is the cheapest form of new electricity generation so it's no surprise that the Commission is calling on the UK Government to stop blocking new projects."

Media reaction: onshore wind polling

A poll of 3,600 adults released last month showed 69% of respondents supported building onshore wind farms, including 60% of respondents who identified as Conservative voters.

[Responding](#), Senior Policy Manager Fabrice Leveque said: "The results of this new polling show clearly that the UK Government's exclusion of most onshore wind projects from the energy market flies in the face of public opinion."

OFFSHORE RENEWABLES



Consultation: Improving protection given to Priority Marine Features outside the Marine Protected Area network

Marine Scotland has launched a [public consultation](#) on improving protection given to PMFs outside the MPA network. An additional consultation and corresponding Sustainability Appraisal will follow, where measures will be proposed. This is currently scheduled for Autumn 2018.

This consultation closes on 31 August. For more information contact Marine Scotland's [Marine Conservation team](#). If you would like to discuss, please contact [Stephanie Conesa](#).



Consultation response: Sectoral Marine Plan for Offshore Wind Energy

Marine Scotland recently consulted on its [draft Sectoral Marine Plan for Offshore Wind Energy](#). The Plan will inform the spatial development of Crown Estate Scotland's next leasing round for commercial-scale offshore wind energy projects in Scottish waters.

Scottish Renewables [responded](#) to this consultation. If you would like to discuss, please contact [Stephanie Conesa](#).

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