# SUBMITTING EVIDENCE TO A SCOTTISH PARLIAMENT COMMITTEE

## DATA PROTECTION FORM

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| **Name:** | **Peter Speirs** |
| **Date:** | **23 August 2018** |
| **Organisation: (if required)** | **Scottish Renewables** |
| **Topic of submission:** | **Climate Change (Emissions Reductions Targets)** |

☒ **I have read and understood the privacy notice about submitting evidence to a Committee.**

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**Environment, Climate Change and Land Reform Committee**

**Climate Change (Emissions Reduction Targets) (Scotland) Bill**

**SUBMISSION FROM [Scottish Renewables]**

Scottish Renewables is the voice of Scotland's renewable energy industry, working to grow the sector and sustain its position at the forefront of the global clean energy industry. We represent around 250 organisations working across the full range of renewable energy technologies in Scotland and around the world, from large suppliers, operators and manufacturers to small developers, installers and community groups, and companies right across the supply chain.

**Key points:**

The Scottish Government should:

- Set a date for delivering net zero emissions
- Ensure that action on climate change remains high on the political agenda
- Capitalise on all near-term opportunities to grow low-carbon heat markets

Scottish Renewables is pleased that the Scottish Government continues to demonstrate a commitment to taking meaningful action on climate change. We are similarly pleased that this commitment is shared across the political spectrum in Scotland, and welcome the cross-party support for meaningful action on climate change, such as supporting increased renewable energy generation.

The implementation of policies supporting the development of renewable electricity to date from both the UK and Scottish Governments has seen renewable energy capacity in Scotland almost treble in the last eight years, now providing enough power to meet in excess of 68% of Scotland's electricity consumption.[1] This success has led the industry to displace more than 9 million tonnes of harmful CO2 emissions each year in Scotland[2], demonstrating the industry's significant contribution to tackling climate change as well as providing the important socio-economic benefits that derive from increased investment in renewable energy technologies. Climate change mitigation, socio-economic development and renewable energy go hand in hand.

**Decarbonising heat**

Achieving Scotland's important future goals for climate change mitigation will require a step change in clean energy supply, alongside changes in consumer behaviour. Renewable energy is now undoubtedly the mainstream in Scotland's electricity generation but heat, accounting for half of our energy demand, is in a far less advanced market position. Renewable heat will, therefore, increasingly become the next frontier for emissions reduction and new industrial opportunities.

[1] https://www.gov.uk/government/statistics/energy-trends-section-6-renewables
[2] https://www.gov.scot/Topics/Statistics/Browse/Environment/TrendGasEmissions

Scotland has arguably taken the lead in the UK in terms of preparing to decarbonise energy use in buildings, with the recently published route map for the Energy Efficient Scotland programme laying firm foundations to accelerate the transformation of energy use in our existing building stock. The proposed mix of local energy planning, regulations and incentives should in time provide a framework to grow energy efficiency and low carbon heat markets.

Scottish Renewables believes the Scottish Government should target the use of existing, mature renewable heat technologies (such as heat pumps, biomass and solar thermal) where possible as early as possible and we welcome the focus in the Scottish Government's Energy Strategy on rolling out low-carbon heating to off-gas-grid properties and district heating schemes in urban areas. The Scottish Government has proposed a package of regulation[3] to support the growth of district heating as part of the Energy Efficient Scotland programme but we would welcome further detail on how the programme will support the uptake of low-carbon heat in rural areas.

Prioritising action in these areas will help smooth the emissions reduction pathway between now and 2030, while cutting emissions sooner. Bold action on renewable heat is a necessary step towards net zero emissions and will also open up economic opportunities for Scotland, potentially unlocking thousands of jobs.

**Maintaining and growing Scotland's renewable electricity capacity**

Today's installed capacity of renewable power generation was primarily driven by UK revenue support schemes (the Renewables Obligation and Contracts for Difference). At present, only offshore wind projects have a clear route to market through upcoming CfD auction rounds. As a result, developers of the most mature renewable technologies and projects (e.g. large-scale onshore wind and solar PV) are intensely focussed on cutting costs, maximising productivity of assets and delivering new schemes at no net cost to the public. It is as yet uncertain to what extent new capacity will be able to come forward in a 'zero-subsidy' landscape, but it is clear that any additional regulatory costs placed on developments will make future capacity growth less likely.

As Scotland's operating onshore wind fleet reaches the end of its consented timeframe (20 years), operators are considering whether to extend the life of existing assets, repower the whole site with more modern, productive turbines, or to decommission the wind farm (either partially or in its entirety).

For these reasons, it is critical that Scotland's planning framework and system, and wider regulatory and fiscal policies, are closely aligned with decarbonisation policies and the Scottish Energy Strategy to avoid any reduction in the current installed capacity of renewable electricity generation and ensure capacity grows to meet our carbon targets.

[3] Scottish Government, 2018, Second Consultation on Local Heat & Energy Efficiency Strategies, and Regulation of District and Communal Heating

This will be increasingly important as demand for low-carbon electricity grows in order to meet our heat and transport needs.

**Revised emissions targets**

Although Scottish Renewables is not in a position to comment in detail on the specific levels, timelines or measurements of emission reduction targets and monitoring processes, we are in no doubt that the aspiration should be towards zero, and that the Scottish Government should continue to aim to meet this goal as early as possible. Countries around the world are looking to increase their climate change targets to deliver the ambition of the Paris Agreement and reap the socio-economic benefits of committing to the green economy, so it is right that Scotland does so too. Setting ambitious decarbonisation targets sends a clear signal to low-carbon industries that Scotland is one of the best places to invest, which in turn delivers sizeable social, economic and environmental benefits to all of us.

Renewable energy will play a crucial part in this and the recent precipitous falls in cost for offshore and onshore wind in Scotland and the UK, with new onshore wind now being the cheapest form of electricity generation, show what is possible for renewables with the right long-term policies. Areas where emissions reduction has been slower, such as heat, have been subject to numerous stop-start policies and policy reversals (for example cuts to ECO in 2013 and delays to the implementation of the RHI and subsequent tariff cuts). This uncertainty has impacted both consumer perceptions of energy efficiency and low-carbon heating as well as supply chain appetite to invest in training, marketing and innovation.

We recognise that at present there are numerous technical challenges and economic considerations facing a pathway to net zero emissions. However cost reductions in renewable electricity have demonstrated the role that innovation can play, as well as the difficulty in predicting the trajectory of technology costs. The setting of ambitious long-term targets can help set the framework within which innovation can take place. The pace of technological change and relatively early stage of decarbonisation in sectors such as heat and transport should give governments the confidence to be ambitious when setting very long-term targets out to mid-century.

**Economic impacts**

We recognise that there are numerous practical issues that will determine the precise trajectory and final state of emissions come 2050, which will inform the targets set by the Scottish Government and Parliament in this regard. We note that the supporting evidence provided by the Scottish Government regarding higher targets for 2050 suggest significant additional (to business as usual) energy system costs.

It would be useful if the Scottish Government could also explore the macroeconomic benefits of the scenarios modelled in order to capture effects such as: lower consumer bills from more efficient homes, electric vehicles and heating (therefore increasing disposable

expenditure); macroeconomic benefits of relying on domestic sources of renewable energy versus imported alternatives, and other wider benefits such as improved air quality (from reduced petrol, diesel and gas combustion).

The Scottish Parliament has much to be proud of in its approach to climate change mitigation. While this Bill's provisions continue to demonstrate Scotland's ambition on climate change we would urge Ministers and Parliament to set a date for delivering net zero emissions, and to ensure that action on climate change remains high on the political agenda so that Scotland can remain a world leader in the fight against climate change.

Yours sincerely

Claire Mack

**Chief Executive**

**Scottish Renewables**