Targets

Are the 2020 renewables targets achievable? If not, why not?

Stay the course and facilitate societal change: people and communities are the key

1. The Scottish Government has set world-leading targets for carbon reduction and renewable energy. These targets can be secured if Scotland stays the course, and fully embraces the business and societal challenge. One such challenge is to ensure that Scottish society more widely participates in the transition towards a low carbon economy.

2. With a target of meeting 100% of the demand for electricity from renewable energy sources by 2020, an important delivery mechanism recently announced by the Scottish Government is an enhanced contribution from community-scale renewable energy projects. I strongly support the 100 per cent target and further the recognition that communities should play a greater role in the transition to a low carbon economy.

Community-scale can enhance the social acceptability and delivery of renewable energy projects

3. My own work in the field of community wind power around the world has been arguing the case for an expansion of Scottish community-renewables for the past decade (Strachan and Jones 2012; Strachan et al. 2010; Ellis et al. 2009; Strachan and Lal 2005, 2004). One important lesson that can be drawn from the international experiences of Denmark and Germany relates to the significant role that local or community ownership arrangements can play in enhancing the social acceptability and delivery of wind power projects (Strachan et al. 2010; Ellis et al. 2009; ESRC Seminar Series 2008-2009). There are already proven examples within Scotland to illustrate this including the community-owned windfarm that operates on the Isle of Gigha (Warren and McFayden 2010).

Increase the target to at least a 1,000MW of community-scale renewable energy projects

4. The current target of 500MW of community-owned renewable energy projects does not go far enough. The Scottish Government now needs to be more ambitious in its efforts to deliver community-owned renewable energy projects.

5. To secure the necessary step change in social attitudes towards the deployment of renewable energy technologies (RETS), such as onshore wind, this target should now be increased to at least a 1,000MW by 2020. The positive effects of such a target might be to assist in overcoming social conflict in the planning process, speed up delivery, and to generate new revenue streams for rural communities so that there are clear and genuine benefits to
communities when engaging with onshore wind projects (Strachan and Jones 2012; Strachan et al. 2010).

**More dedicated policy measures and target financial to support community-based organisations (CBOs)**

6. While some financial support has already been made available to community-based organisations (CBOs), and other actors, the Scottish Government now needs to put in place more dedicated policy measures as well as greater targeted financial support to overcome barriers such as high connection costs to the grid. This is especially true for island communities.

**Support knowledge transfer**

7. Supporting CBOs to develop much needed knowledge and skills in planning, enterprise and finance, and project management, is also prerequisite to successful outcomes in community-renewables. Courses in these areas are already provided by the Scottish Higher Education sector, and their expansion and take-up should now be a priority for the Scottish Government. The MSc in Energy Management at the Aberdeen Business School offers a highly innovative programme in renewables management which could be used as a model for excellence elsewhere. For further details see: http://www4.rgu.ac.uk/abs/postgraduate/page.cfm?pge=88730.

**Challenges**

**(c) Planning and Consents**

Is the planning system adequately resourced and fit for purpose? How can national priorities be reconciled with local interests?

**Invest in people and training**

8. From my extensive interaction with planning offices in Scotland it is clear that they need to be more adequately resourced in order to quickly process the rapidly increasing number of planning applications that they face. In addition, there is now a recognition that planning officers need to develop new skills and adopt new perspectives in helping to overcome social conflict in the planning process and in speeding up the delivery of renewable energy projects. Both the Scottish Government and local authorities now need to invest in new continuing professional development (CPD) opportunities for planning officials.

**Corporate community benefit funds: panacea or placebo?**

9. While the Scottish Government has made some great strides in planning policy reform there remains the need for further action to transform planning law in the arena of corporate community benefits provision (Strachan and Jones 2012). In addressing past policy and funding support failings, which has favoured ownership ‘remote’ of communities, the approach by commercial
developers to win local support for their projects has been to provide a community benefits fund.

10. In the current planning process however the available evidence indicates that such funds are only playing a very small part in winning wider community acceptance of wind power, and further in helping developers secure planning consents. Indeed, the available evidence indicates that the current system within which community benefits provision is agreed is actually acting as an additional source of tension, and this is likely to continue until a more radical approach is taken (Strachan and Jones 2012). There are also vocal claims that the planning process has been brought into ‘disrepute’ (Ellis et al. 2009); so current arrangements are also contentious from a local authority planning perspective. Current arrangements are clearly not fit for purpose and should be revised.

**Revise national policy and local planning guidance to more effectively incorporate community benefit fund provisions**

11. I would strongly recommend that current national policy and local planning guidance should be revised to incorporate a more robust and systematic consideration of community benefits packages and that high mandatory levels of payment should be offered by commercial developers. However, the Scottish Government should avoid the temptation to defer to an industry protocol, such as that recently implemented in England and Wales. Such protocols tend to generate a lowest common denominator approach.

**Other advice**

12. There is also a need for the Scottish Government and other organisations to improve advice and guidance, establish better practice, as well as greater transparency by commercial developers.

**Owning a stake in renewable energy projects can promote wider sustainability goals in society**

13. In addition to fostering better relationships between local communities and developers these recommendations if implemented would ensure that Scottish society more widely participates in the transition towards a low carbon economy. By owning or sharing a stake in renewable energy projects, or debating how community benefit streams might best be invested, society can contribute to and be involved in setting sustainability goals more generally.

**Challenges**

**(f) Energy market reform and the subsidy regime**

Are the reforms of the energy markets and subsidy regimes at both UK and EU level sufficient to meet the challenge of the Scottish Government’s renewable targets?
Political Leadership and financial support are also key ingredients

14. The past decade has witnessed strong political and generous levels of financial support, which have allowed the renewables industry in Scotland to flourish. While the international and domestic 2012 outlook for renewables appears very positive, there is no room for the Scottish Government to become complacent in driving forward its renewable energy aspirations. With the current economic climate in Europe, which has seen for example the Spanish Government withdrawing financial support for new renewable energy projects, the Scottish Government must maintain its current course and address the hiatus created by the UK electricity market reform (EMR) proposals. Evidence from other countries shows that continuity in policy support for renewable energy is critical in itself for successful outcomes (Szarka et al. 2012; Strachan et al. 2010; ESRC Seminar Series 2008-2009).

Introduce a Premium FIT and NOT CfDs

15. The Scottish Government must continue to have in place dedicated policy measures and additional mechanisms to support the continued expansion of the renewables market. While not perfect the Renewables Obligation (RO), along with more specific and highly effective Scottish initiatives, have been quite successful in generating a large amount of renewables generating capacity (Strachan et al. 2010). I would contend however that if an alternative model called a Premium Feed-in Tariff (FIT) had been introduced then the results would have been much more impressive in the same timeframe. If Scotland is to replace the RO, a Premium FIT should be introduced and NOT the FIT Contracts for Difference (CfDs) model as outlined in the 2011 Energy White Paper.

The time is right for policy divergence

16. The changes proposed by EMR unfortunately appear to be a return to outdated and unsuccessful models of renewables project deployment. Under the Non-Fossil Fuel Obligation (NFFO), which predated the RO, most projects never materialised. The result of the introduction of CfDs will have the same outcome, and further spell the end of the Scottish renewables market. If the Scottish Government wishes to secure its 2020 targets then the model to adopt is a Premium FIT. The international evidence for the success of Premium FIT models are overwhelming (Szarka et al. 2012; Strachan et al. 2010; Mendonça 2007), and an in-depth review of the EMR submissions show that such models already have the support of some key corporate players in Scotland. The time is perhaps ripe for policy divergence.

‘No’ new nuclear build in Scotland

17. In addition, EMR appears to have been designed to introduce a funding support mechanism, which will be used as a tool to invest in new nuclear build at the expense of future renewable investments and CCS initiatives. This is not what we want in Scotland if we are to secure our 2020 targets and further see a growing ‘green market’ in renewables and CCS. Not withstanding the
environmental and climate policy mitigation arguments, the socio-economic arguments are also obvious to see across Europe: economic stimulation, industrial development and jobs creation in Germany, Denmark, Spain as well as in the United Kingdom (Szarka et al. 2012; Strachan et al. 2010).

18. Events in Japan last year highlighted the devastating effects that a major nuclear accident can have on a highly developed economy and the well being of its population. My children and their grandchildren should not be expected to face long-term safety concerns and hazardous waste disposal and decommissioning liabilities (Elliott 2007), when a green and safer energy future is now technologically available, and at what should be considered a fair cost to the Scottish taxpayer.

Change public attitudes and engage

19. Changing the public’s belief that renewables are expensive, while fossil fuels and nuclear power sources are cheap, should be a key priority for the Scottish Government. Both the nuclear industry and the fossil fuel industries are heavily subsidised (European Commission 2011), and further the negative externalities (i.e. social and environmental costs) of the extraction and combustion of fossil fuels are largely ignored in current costing models. This has led to significant market distortions in society. Communicating this point of course is an up-hill task (Szarka et al. 2012) but vital.

Stay the course

20. The Scottish Government should maintain their commitment to ‘no’ new nuclear build in Scotland and continue to heavily invest in Scotland’s renewable energy industry and new CCS projects. We should embrace the massive opportunities that renewables and CCS can bring to Scotland and continue to offer international leadership on climate change. We must stay the course.

Professor Peter A. Strachan
9th February 2012

Supporting References


The Robert Gordon University


