Scotch Whisky Association

Draft Climate Change Plan

Our main comments on the draft plan relate to the proposal to tighten the 2020 target. It is welcome news that Scotland has already achieved its 2020 ambition and we are pleased that the Scotch Whisky industry has played its part through the extensive investments in renewable energy and energy efficiency projects and by switching to lower carbon intensive fuels. However, tightening a target now for a period which is less than three years away is not likely to drive the change required, particularly in industry as company investment decisions take place over a longer period. We would be concerned if climate change mitigation policies are tightened in such a short period in order to meet a revised target.

We note that the draft plan does not factor in the impact of leaving the EU on UK energy policy, and this is understandable as the outcomes are not yet known. We believe that exiting the EU does provide flexibility in the policies it adopts post-Brexit. If the final settlement permits, we believe that smaller emitting sites, such as those in the food and drink sector, should be removed from the EU Emissions Trading System (EU ETS) and placed in a reformed Climate Change Agreement (or equivalent) process. Clearly this would need to be factored into future plans as EU ETS is seen as the flagship policy to reduce emissions from large industry.

We welcome confirmation that the Scottish Government will provide support for new renewable heat in Scotland after the UK RHI closes in 2020/21. Such a mechanism will be vital to encourage further fuel switching in industry. Emission reductions from industry will also require infrastructural improvements. Many distilleries are located in remote locations off the gas grid. Increasing the reach and reinforcing the gas grid will help distillers switch from higher emitting fuels (such as heavy fuel oil) to lower emitting natural gas with the possibility of alternative forms of gas in the future. Gas grid enhancements also open up opportunities for domestic users to switch from fuel oil to natural gas and this may help tackle fuel poverty in rural areas. We are engaged with Scottish Government and UK Government on the policies that might be needed to deliver the emission targets proposed for industry. We have also played a lead role in the development of the action plans to deliver the UK-wide low carbon and energy efficiency roadmap for the food and drink sector. Returning to Scotland, much of the detail is contained in the Scottish Energy Strategy and its associated documents which we are reviewing in detail and we plan to discuss with Scottish Government in due course.

On transport, we welcome the proposal to reduce road freight emissions (on a tonne kilometre basis) by 28% by 2032, although there are challenges and concerns here too as road freight is a key part of the Scotch Whisky industry’s operations. On shipping, we note that the plan acknowledges that vessels are likely to increase in size. Clearly this will need to be factored into the investment plans for Scotland’s ports to ensure that they are able to
accommodate wider, longer and deeper drafted vessels. This is particularly important and relevant to intermodal containerised shipping services which connect Scotland to the deep-sea ports in England and the near continent and play a key role in the export of Scotch Whisky.