



T: 0300 244 4000
E: scottish.ministers@gov.scot

14 November 2018

Dear Gordon,

I am writing to inform you of the publication of the consultation responses relating to the Draft Energy Strategy, as well as analysis reports for the following consultations that closed earlier this year:

- A Draft Scottish Energy Strategy
- Draft Onshore Wind Policy Statement
- Scotland's Energy Efficiency Programme
- Local Heat & Energy Efficiency Strategies and Regulation of District Heating
- Energy efficiency and condition standards in private rented housing.

In August I wrote to the Economy Jobs and Fair Work committee, thanking them for their detailed and constructive response to the draft Energy Strategy consultation. The Committee's response to the consultation acknowledged the holistic view taken by the Energy Strategy, and the need to think about each element of the strategy in the context of the whole system. This is why I intend to publish all of these reports at the same time – the outcome of each will play an equally important role in the continuing evolution of our policies.

In light of these analyses and the considerable volume of responses we received, I have been carefully considering with my officials how to reflect this valuable feedback in the finalised Energy Strategy and associated policy statements, and in the development of Scotland's Energy Efficiency Programme.

Scotland's Energy Efficiency Programme (SEEP) is the cornerstone of Ministers' National Infrastructure Priority on Energy Efficiency, designed to make Scotland's buildings warmer and easier to heat whilst reducing their impact on the environment. SEEP is a key part of Scotland's Energy Strategy, our efforts to mitigate Climate Change, and will be a key element of our strategy to tackle fuel poverty, which we are currently consulting on.

As an important part of the development of SEEP, the 2016 Programme for Government committed the Government to consulting on regulations of district heating, commensurate with the scale of the market. This is in line with the commitment made in the Heat Policy Statement, published in 2015, which stated that we would consider the need for regulation.

We issued a consultation paper in January 2017, alongside the publication of the Energy Strategy, on Local Heat & Energy Efficiency Strategies (LHEES) and Regulation of District Heating (DHR). This consultation closed on 18 April and was a high-level policy scoping consultation that sought views and further evidence on a broad scenario for district heating regulation and Local Heat & Energy Efficiency Strategies, to support the development of SEEP.

The 2017 Programme for Government confirmed that we will consult on detailed proposals for Local Heat & Energy Efficiency Strategies and regulation of district heating and develop, if appropriate, a wider SEEP Bill for later in this Parliament. I can inform the committee that the Scottish Government has now published a further LHEES & DHR consultation, setting out our response to the previous LHEES and district heating regulation consultation, and seeking views on a preferred approach for engagement and testing with stakeholders.

Evidence from all rounds of consultation will be used to inform the Scottish Government's final decisions on what approach to take to district heating regulation and Local Heat & Energy Efficiency Strategies, which, as stated above, will help inform the development of SEEP as well.

The third Energy Strategy and SEEP-related consultation that ran earlier this year (7 April to 30 June) was on energy efficiency and condition standards in the private rented sector (PRS). The consultation sought views on a minimum standard of energy efficiency for private rented homes to ensure that tenants are able to enjoy homes that are warmer and more affordable to heat, and a national standard for private rented homes to ensure a good basic standard of accommodation. The Scottish Government is committed to introducing energy efficiency standards in the PRS, and this will be set out as part of the SEEP Routemap, to be published next year.

Our draft Onshore Wind Policy Statement (OWPS), also published alongside the Energy Strategy, sought views on the continuing contribution and deployment of onshore wind generation in Scotland. The analysis of the 89 responses to the OWPS consultation will formulate the basis of how the Scottish Government intends to support the sector going forward. We will publish our policy direction by the end of the year.

We intend to finalise and publish the Energy Strategy by the end of 2017. It will respond to new announcements and changes over the summer, such as the pledge to phase out the need for diesel and petrol powered vehicles by 2032, and the commitment to provide £100,000 to support the feasibility of the Acorn Carbon Capture and Storage (CCS) Project at St Fergus. This project is at a feasibility stage, and subsequent project phases will aim to establish the first full chain CCS demonstrator.

Recent publications by the UK Government, including the Clean Growth Strategy and the Helm review of the cost of energy, are also being carefully considered by officials to ensure the Energy Strategy reflects developments across the wider policy landscape.

The Committee will also be aware that in early October the First Minister pledged to set-up a publicly-owned energy company, to provide consumers with low cost energy and support policies on alleviating fuel poverty. Further details on this will be made available at the same time as the finalised Energy Strategy.

The scope and complexity of each of these consultations, and the range and depth of the responses, reflect the importance we attach to acting on the commitments set out in recent programmes for Government. These strategies are designed to alleviate fuel poverty, ensure a decent standard of living for all, provide Scotland with low carbon and affordable electricity and heat, and build on the momentum this country has gathered in moving towards a low carbon and inclusive society.

I look forward to providing the Committee with further updates on the Energy Strategy and to engaging with you on these matters in due course.

Kind regards

A handwritten signature in blue ink, appearing to read "Paul Wheelhouse". The signature is written in a cursive style with a large initial "P".

Paul Wheelhouse