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Gordon Lindhurst MSP  
Convener  
Economy, Jobs and Fair Work Committee  
Scottish Parliament  
Edinburgh  
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27 March 2018

Dear Gordon,

I am pleased to advise you that *Climate Change Plan, the Third Report on Proposals and Policies 2018-2032* was laid before the Scottish Parliament on 28 February. This is the final version of the Climate Change Plan.

Between January and March of last year, the Economy, Jobs and Fair Work Committee was one of four parliamentary committees that took evidence on the draft Climate Change Plan. I would like once again to thank you and the other members of your committee for your rigorous review of the draft, and for your committee's report of 10 March 2017.

The final Climate Change Plan was accompanied by a written statement. In accordance with section 35(6) of the Climate Change (Scotland) Act 2009 Act, this sets out details of the representations, resolutions and reports made on the draft Climate Change Plan; the changes made to the report in response; and the reasons for those changes. The written statement incorporates our formal responses to the recommendations and other issues, including valuable evidence provided by stakeholders, raised in your committee's report.

Footnotes are provided throughout the statement to indicate precisely where responses are given to the recommendations or other substantive comments made in the EJFW Committee's report. You will appreciate that there were areas where recommendations made by different committees overlapped. In order to avoid duplication, the written statement responds to such recommendations together. However, for your ease of reference, the annex to this letter lists the recommendations and related statements made in the EJFW Committee report and the corresponding Scottish Government responses.

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I am writing in similar terms to Gordon Lindhurst, Edward Mountain and Graeme Dey.

Yours

Roseanna

**Roseanna Cunningham**

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## Annex A

Committee Recommendation	Scottish Government Response
<p>EJFW 15. The Committee commends the whole-system approach but believes that it should not be at the expense of the detail provided in the earlier RPPs. The TIMES model relies on certain assumptions. However, the Committee does not know exactly what information was incorporated into the model and what weight was given to practical considerations on delivery, costs and disruption. The Committee believes that this approach lacks transparency.</p>	<p>Further details around the underlying assumptions, modelling approach taken and results by sector is included in the technical annex of the Plan.</p>
<p>EJFW 16. The Committee believes that additional details on budgets, targets, timelines and policies should be included in the CCP, consistent with that provided in the earlier RPPs, in order to ensure that all those involved in delivering the plan are fully informed and able to do so.</p>	<p>The Scottish Government will use the monitoring framework, which is embedded in the Plan, to monitor progress against indicators to determine if implementation of the Plan is on track and flag any policy area that needs attention. An annual monitoring report will be made available to Parliament. We aim to publish the first report in October 2018.</p>
<p>EJFW 17. The Committee joins the other Parliamentary Committees who have scrutinised the CCP in recommending that the Scottish Government reviews the time available for parliamentary scrutiny of future reports on proposals and policies. We ask that it use the opportunity afforded by the forthcoming Climate Change Bill to either remove the fixed period or extend the current 60 day restriction.</p>	<p>In light of these recommendations from the committees, the proposals for the forthcoming Climate Change Bill consulted on in summer 2017 included a proposal to extend the period for Parliamentary consideration. The consultation also sought views on how many days the consideration period should be. Respondents generally felt that the period for parliamentary consideration should be 90 or 120 days to allow for proper scrutiny and consensus-building. This will be reflected in the Climate Change Bill when it is introduced to Parliament in the coming months.</p>
<p>EJFW 41. The Committee notes that emission reduction requirements for electricity and the residential sector are particularly ambitious. We do not know what discussions took place to balance practical considerations on delivery, costs and disruption across the sectors. The Committee asks the Scottish Government to provide it with information on how these factors were considered to arrive at the proposed emission reductions across the sectors.</p>	<p>Since the draft Plan was published, we have taken into account the advice of both Parliament and the Committee on Climate Change, and have also updated the assumptions feeding into the TIMES model to reflect the latest data as well as make other improvements, such as expanding the range of residential conservation measures. Further detail on these updates is contained in the Cabinet Secretary for Environment, Climate Change and Land Reform's letter to the ECCLR Committee on 23 January 2018<sup>1</sup>. As a result, the amount of emissions reductions required in the Buildings and Electricity sectors has been reduced, requiring a slower, yet still very ambitious, transition to low carbon heat and renewable electricity generation.</p>

<sup>1</sup> Letter to the Convenor of the ECCLR Committee from Cabinet Secretary of Environment, Climate Change and Land Reform, 23 January 2018, [http://www.parliament.scot/S5\\_Environment/General/20Documents/20180123\\_CS\\_to\\_Conv\\_on\\_Climate\\_Change\\_Plan\\_WEB.pdf](http://www.parliament.scot/S5_Environment/General/20Documents/20180123_CS_to_Conv_on_Climate_Change_Plan_WEB.pdf)

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<p>EJFW 42. The Committee is unclear how much electricity capacity would be required if significant electrification of heat and transport takes place (as proposed in the CCP) and how much installed capacity would be required to generate it. Whilst the Committee acknowledges that there are difficulties in knowing what the future path for heat and transport is at the moment, we recommend that further modelling work be undertaken to establish what Scotland's installed electrical capacity requirements would be, should significant electrification of heat and transport take place.</p>	<p>The Climate Change Plan and Scottish Energy Strategy set out the level of installed renewable electrical capacity that could be required to meet our 2030 Renewable Energy target. We will develop our modelling such that future Climate Change Plans include an assessment of peak electricity requirements resulting from potential changes in the demand for electricity in the heat and transport sectors.</p>
<p>EJFW 43. The Committee welcomes the assurance from the Scottish Government that it is confident that Scotland is on a pathway toward electricity grid intensity below 50g CO2 per kilowatt hour by 2020.</p>	<p>The Scottish Government notes the Committee's interest.</p>
<p>EJFW 44. The Committee notes that many of the support mechanisms for renewable energy are under the control of the UK Government. This is the case for other technologies which are vital for the CCP. The Committee encourages the Scottish Government to do what it can within its own remit to achieve its policy outcomes, whilst working with the UK Government to maximise support available to the renewable energy industry in Scotland.</p>	<p>The recently published Scottish Energy Strategy reiterates the Scottish Government's determination to take actions of our own to support renewable generation and growth across Scotland, while working with the UK Government to pursue the necessary policy changes and delivery in those areas which are reserved. The Energy Strategy lists a number of actions, ranging from continued funding for renewables innovation, targeted relief through non-domestic rates for specific renewables projects, and a sustained focus on securing renewables supply chain benefits.</p>
<p>EJFW 65. Given the reliance within the CCP on the development and large-scale demonstration of CCS, an as yet unproven technology, the Committee recommends that consideration is given to other available options, alongside CCS.</p>	<p>In response to the feedback on the draft Plan and Energy Strategy, we have revised our assumptions about the application of CCS. The feedback we received highlighted the challenge of deploying CCS at scale in the period set out in the draft. In response to this, we have applied a constraint in the model, limiting the uptake of CCS before 2030. Given the feedback on the interaction with bioenergy, we have also limited the ability to account for negative emissions in the modelling, through bioenergy generation with CCS. Scottish Government policies support the development of CCS, which will be important for the long term cost-effective decarbonisation of our economy in key sectors such as heat, industry and electricity.</p>

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<p>EJFW 66. Whilst a key milestone of the CCP is that the UK Government will announce a CCS strategy aligned with Scottish energy policies, it will require strong intergovernmental collaboration, and we seek more information from the Scottish Government on how it plans to take this forward; the Committee believes it is vital to establish how the development of CCS will be supported and funded.</p>	<p>The UK Government has proposed a new policy approach to Carbon Capture Utilisation and Storage (CCUS) as part of its wider Clean Growth Strategy launched on 12 October 2017. To advance CCUS the UK Government has set up a Ministerial-led CCUS Council and established a CCUS Cost Reduction Taskforce. Scottish Government officials are participating in both of these forums. The UK Government has also committed £20m funding towards a CCUS demonstration programme.</p> <p>In addition to this, the Scottish Government is supporting the Acorn CCS Project, which has secured €1.9m under an EU science funding stream to Accelerate CCS Technologies (ACT). We are contributing £100k funding towards this project's feasibility study on a small scale CCS demonstrator project targeting industrial gas processing CO<sub>2</sub> emissions at St. Fergus.</p> <p>The Scottish Government has also provided £250k funding to Scottish Carbon Capture Storage (SCCS) to take forward a programme of work to assess further opportunities to support the delivery of CCS infrastructure and demonstration facilities for CCS and CO<sub>2</sub> Utilisation on the ground in Scotland.</p> <p>CCS infrastructure deployed across UK regions and industrial sectors has the potential to contribute greatly to achieving deep decarbonisation.</p> <p>The UK Government's new policy approach on CCUS has made commitments to work with Teesside, Merseyside, South Wales and Grangemouth to test potential for development of industrial CCUS decarbonisation clusters. Scottish Government officials are collaborating with UK counterparts to ensure Scottish clustering opportunities are explored and discussed as part of the UK Government Ministerial led CCUS Council.</p>
<p>EJFW 67. Demonstration and commercialisation of CCS must be encouraged not only in Scotland but also within the UK, with a UK government system aligned with Scottish energy priorities.</p>	

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<p>EJFW 68. Despite the divergence of views on the use of CCS in decarbonisation, the Committee believes that it has a role to play and notes the evidence from Professor Haszeldine that it can be applied in diverse ways; for example, it can be used effectively in industrial applications. The Committee believes that there is merit in exploring options for the future use of the existing asset at Peterhead and that CCS represents an opportunity to do so.</p>	<p>CCS and CCU are currently the principal technologies capable of industrial-scale climate mitigation in some of the most carbon-intensive industrial processes such as cement production, oil and gas processing, and the production of steel and other metals. In collaboration with Scottish Enterprise and SCCS, the Scottish Government has explored the role of CCS in decarbonisation industry and potential hub models to role of carbon capture, transport and storage<sup>2,3</sup>. CCS would also be necessary to mitigate CO<sub>2</sub> emission from steam methane reforming, if deployed as part of a future heat decarbonisation plan.</p> <p>The Scottish Government is supporting the Acom CCS Project at St Fergus, which has secured €1.9M under an EU science funding stream to Accelerate CCS Technologies (ACT). We are contributing £100k funding towards this project's feasibility study on a small scale CCS demonstrator project targeting industrial gas –processing CO<sub>2</sub> emissions at St. Fergus which will draw upon important elements of the publicly funded FEED study work carried out for the previous Peterhead Project.</p> <p>The role of the planning system including CCS is included in the revised The Planning System section of the Plan.</p>
<p>EJFW 69. The Committee recommends that the Scottish Government works with the UK Government to consider what investment can be made in Peterhead to secure its long-term future as appropriate.</p>	<p>Investment in Peterhead power station is a commercial matter for station owners SSE. This is being considered as part of its ongoing review of the power station.</p> <p>The Scottish Government is clear that it views Peterhead as a significant strategic asset for Scottish energy resilience. In July 2017, the First Minister made a successful representation to Ofgem regarding changes to the transmission charging regime. These changes, which will be implemented by April 2018, will have a material impact on the operation of the power station. The cost difference is a key factor in SSE's ongoing review. We will continue to engage and work collaboratively with the UK Government, National Grid and Ofgem on Great Britain-wide resilience issues.</p>

<sup>2</sup> **Scotland and the North Sea CCS Hub Study (2014)** [http://www.element-energy.co.uk/wordpress/wp-content/uploads/2014/06/Element-Energy-Scottish-CCS-Hub-](http://www.element-energy.co.uk/wordpress/wp-content/uploads/2014/06/Element-Energy-Scottish-CCS-Hub-Study-Revised-Final-Main-Report-310314c.pdf)

[Study-Revised-Final-Main-Report-310314c.pdf](http://www.element-energy.co.uk/wordpress/wp-content/uploads/2014/06/Element-Energy-Scottish-CCS-Hub-Study-Revised-Final-Main-Report-310314c.pdf)

<sup>3</sup> **Building a C02 Storage Hub in the Central North Sea – Scotland's Blueprint for a Carbon-Proofed Economy (2015)** <http://www.sccs.org.uk/images/expertise/misc/SE-CO2-Hub.pdf>  
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