



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Environment, Climate Change and Land Reform Committee

**Tuesday 21 March 2017**

**Session 5**



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Pàrlamaid na h-Alba

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**Tuesday 21 March 2017**

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**ENVIRONMENT, CLIMATE CHANGE AND LAND REFORM COMMITTEE**  
**10<sup>th</sup> Meeting 2017, Session 5**

**CONVENER**

\*Graeme Dey (Angus South) (SNP)

**DEPUTY CONVENER**

\*Maurice Golden (West Scotland) (Con)

**COMMITTEE MEMBERS**

\*Claudia Beamish (South Scotland) (Lab)  
\*Alexander Burnett (Aberdeenshire West) (Con)  
\*Finlay Carson (Galloway and West Dumfries) (Con)  
\*Kate Forbes (Skye, Lochaber and Badenoch) (SNP)  
Jenny Gilruth (Mid Fife and Glenrothes) (SNP)  
\*Emma Harper (South Scotland) (SNP)  
\*Angus MacDonald (Falkirk East) (SNP)  
\*Mark Ruskell (Mid Scotland and Fife) (Green)  
\*David Stewart (Highlands and Islands) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Roseanna Cunningham (Cabinet Secretary for Environment, Climate Change and Land Reform)  
John Ireland (Scottish Government)  
Tom Russon (Scottish Government)

**CLERK TO THE COMMITTEE**

Lynn Tullis

**LOCATION**

The James Clerk Maxwell Room (CR4)



## Scottish Parliament

### Environment, Climate Change and Land Reform Committee

*Tuesday 21 March 2017*

*[The Convener opened the meeting at 09:34]*

### Decision on Taking Business in Private

**The Convener (Graeme Dey):** Welcome to the 10th meeting in 2017 of the Environment, Climate Change and Land Reform Committee. Apologies have been received from Jenny Gilruth. I remind everyone present to ensure that their mobile phones are on silent for the duration of the meeting.

Agenda item 1 is a decision on taking items 4 and 5 in private. Are we all agreed?

**Members** *indicated agreement.*

## Subordinate Legislation

### Carbon Accounting Scheme (Scotland) Amendment Regulations 2017 [Draft]

09:34

**The Convener:** Agenda item 2 is an evidence-taking session on the draft Carbon Accounting Scheme (Scotland) Amendment Regulations 2017. We are joined by Roseanna Cunningham, the Cabinet Secretary for Environment, Climate Change and Land Reform and, from the Scottish Government, John Ireland, deputy director of decarbonisation, and Tom Russon, policy adviser, decarbonisation division. Good morning to you all.

I invite the cabinet secretary to make a short opening statement.

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** Thanks, convener. As this draft Scottish statutory instrument is of a very technical nature, I thought that it would be useful to say something about the background. It is very useful to me to have the two technical experts here this morning, too.

All the emissions reduction targets in the Climate Change (Scotland) Act 2009 are set on the basis of the net Scottish emissions account, which includes an adjustment to account for the operation of the European Union emissions trading scheme in Scotland. The calculations for implementing that adjustment are set out in the Carbon Accounting Scheme (Scotland) Regulations 2010, which were made under the 2009 act.

Until there is a new climate change act, the Scottish Government is committed to discharging its obligations under the 2009 act, one of the key obligations in which is statutory reporting on annual emissions reduction targets. For each annual target from 2013 onwards, it has been necessary to use routine sets of amendment regulations that introduce new provisions into the 2010 regulations to allow the next year's calculation to occur. The present draft SSI makes the third such set of routine technical amendments, which will enable statutory reporting on the 2015 annual target to occur later this year.

The draft SSI also makes two—again purely technical—amendments to existing provisions in the 2010 regulations, one of which updates the definition of one of the listed types of carbon unit to reflect the current phase of the EU emissions trading scheme. Because of that update, the 2009 act requires the present instrument to be considered under the affirmative procedure rather

than the negative procedure that had previously been applicable.

I am happy to answer members' questions—or perhaps my officials will be better placed to do so.

**The Convener:** Members may well have questions, which I now invite.

**David Stewart (Highlands and Islands) (Lab):** I have no particular issue with the SSI, but, as you know, I have a particular interest in the EU emissions trading scheme, which is an issue that I have raised before in debate and at this committee. I appreciate that it is not something over which the cabinet secretary has a particular lever of power; nevertheless, she will be well aware that the ETS is made up of the 28 EU members and the three European Economic Area members. Obviously, the United Kingdom is a member of both, and I am concerned about what happens if, during negotiations, we find ourselves no longer part of the ETS. I have already raised the question whether the TIMES model will be rerun to include that, but that effectively takes the rules away from the game. Has the department looked at a scenario in which Scotland would not be part of the ETS?

**Roseanna Cunningham:** Obviously, that is a possibility that we have to live with at the moment. I have had some conversation with my Westminster counterpart, and it is fair to say that thinking at the UK Government level has not crystallised around anything in relation to that particular area. At this point, therefore, we have no clear path forward. The draft SSI obviously has to reflect the fact that the EU ETS was operational in Scotland in 2015 and that will not change, no matter what the future is. The EU ETS will apply in 2015, 2016, 2017 and 2018.

**David Stewart:** Keep going.

**Roseanna Cunningham:** My point is that we will be dealing with the carbon accounting regulations in respect of the EU ETS for some time yet; indeed, the time lag means that we will be discussing the 2017 situation in 2019. The fact that we could, in theory, be out of the EU ETS by 2019 does not mean that we were out of the EU ETS in 2017. Because we are dealing with a time lag of a couple of years, we are going to be dealing with the EU ETS at least for the foreseeable future—we cannot operate any other way.

Clearly, there is uncertainty for the future in that respect. Should circumstances change regarding the EU ETS, adjustments could be made to the carbon accounting scheme regulations, if required. I cannot say what they would be, because I do not know what might replace any EU ETS.

**David Stewart:** Have you considered asking your officials to go away and work up a UK ETS system on the basis, say, of article 50 being triggered next week and the need to look at some form of contingency planning? I appreciate that you do not have a crystal ball and cannot predict what will happen in 2019, but there is a strong chance that we could be out of the EU ETS, given that its current members are all members of the EU or the EEA and that we will be in neither body in two years' time.

**Roseanna Cunningham:** Are you asking me to task Scottish Government officials to come up with a scheme for the whole of the UK?

**David Stewart:** I am asking whether it is possible for you to raise the issue with UK colleagues and see whether a UK system is viable.

**Roseanna Cunningham:** I have raised the issue with them, and they are currently not considering a UK system.

**David Stewart:** Okay.

**Roseanna Cunningham:** Beyond that, I am really not in a position to say anything about the issue one way or the other.

**The Convener:** It is useful to get that on the record.

I note that, in one of our committee papers, it states:

“The domestic aviation cap and international aviation cap are calculated using a similar approach to the UK's domestic aviation cap”.

I have a daft laddie question. I thought that the rest of the UK did not count aviation emissions in its figures; in fact, I thought that we were the only country in the EU to do so. Can you clarify that for me?

**Roseanna Cunningham:** We are not aware of any other EU country that does that and, as far as I know, the UK does not do it either, so I am not quite sure what is being referred to in your quotation. As far as I know, we are the only country that counts aviation emissions.

**Tom Russon (Scottish Government):** Perhaps I can clarify the matter. The distinction being drawn is between the inclusion of domestic aviation emissions, which is what the UK does in its progress reports on its statutory emissions reduction targets, and the inclusion of a share of international aviation emissions, which only Scotland does.

**The Convener:** Right.

**Roseanna Cunningham:** That is the difference.

**The Convener:** Okay. Do most countries in the EU count their domestic aviation emissions but not their share of the international ones, or do they not count them at all?

**Tom Russon:** Under the EU emissions trading scheme, emissions from flights in the EU are available for trading. In effect, a distinction is being made between different types of international aviation.

**The Convener:** Thank you. When can we expect this year's Scottish figures?

**Roseanna Cunningham:** As far as I am aware, it will be at the same time as in previous years, which means that it will be in June.

**The Convener:** Okay.

**Roseanna Cunningham:** I think that the normal process is that I give a statement in June.

**John Ireland (Scottish Government):** You are required to give a statement by 31 October.

**Roseanna Cunningham:** I am sorry—the statistics are published in June, but the statement can come later.

**The Convener:** Right. So we can expect the stats before the summer recess.

**Roseanna Cunningham:** Yes. The stats will be published in June.

**John Ireland:** The exact date on which they will be published will be announced the month before.

**The Convener:** Thank you.

**Claudia Beamish (South Scotland) (Lab):** Should we have any concerns about this affirmative instrument with regard to meeting our targets? Will anything be altered in a way that would give us concern?

**Roseanna Cunningham:** No.

**Claudia Beamish:** Thanks for that reassurance. Frankly, I found the instrument quite difficult to understand.

**Roseanna Cunningham:** It is very technical, but it will not change anything in that sense.

**Claudia Beamish:** That is very helpful. Thank you.

**Mark Ruskell (Mid Scotland and Fife) (Green):** I have a question on back-loading. In previous years, carbon has been withheld in order to make the ETS work a bit better and to raise the carbon price. How does that relate to the SSI before us this morning?

**Tom Russon:** The methodology for determining Scotland's share of the EU emissions trading scheme cap for 2015 was published in a technical paper by Scottish Government analysts, and a link

to that paper is provided in the accompanying policy note for the draft SSI. The methodology for undertaking that calculation has not changed from previous years; it has been subject to stakeholder consultation and is in line with the Committee on Climate Change's recommendations. Does that help?

09:45

**Mark Ruskell:** I was after a bit more of an explanation. Previous years' carbon targets have been met partly because emissions from heavy industry have been back-loaded. What are the implications for this year? The assumption was that more carbon would come on to the system later because of previously withheld emissions quotas. Is that correct?

**Roseanna Cunningham:** Is your question about how the stats will be made up when we get the information rather than about the regulations themselves?

**Mark Ruskell:** I am specifically asking about the back-loading arrangements—in other words, the withholding of carbon in previous years through the ETS arrangements and how that is or is not reflected in this year's ETS arrangements.

**Roseanna Cunningham:** That does not really change.

**Tom Russon:** It will be reflected in this year's calculation in a manner that is exactly consistent with previous years. The current draft SSI sets out the cap side of the calculation, while the emissions statistics, which will come out in June, will set out the what-actually-happens side of the calculation.

On the cap side, the approach has always been to have a defined methodology that takes the whole EU ETS cap—which, as you have said, includes adjustment features with regard to back-loading—and then apportions out a Scottish share of that. The method for apportioning out that share remains the same as it has been in previous years, and we will reflect the current back-loading situation through the same calculation.

**Mark Ruskell:** That is clear. Thank you.

**The Convener:** As members have no further questions, we move to agenda item 3, which is formal consideration of motion S5M-04481. We have the opportunity to have a 90-minute debate on the subject, but I suspect that that might not be necessary.

*Motion moved,*

That the Environment, Climate Change and Land Reform Committee recommends that the Carbon Accounting Scheme (Scotland) Amendment Regulations 2017 [draft] be approved.—[*Roseanna Cunningham*]

**The Convener:** Do you want to wind up, cabinet secretary?

**Roseanna Cunningham:** I would love to wind up. [*Laughter.*]

*Motion agreed to.*

**The Convener:** The committee's report will confirm the outcome of the debate. Are members content to delegate to me the responsibility for signing off the report?

**Members** *indicated agreement.*

**The Convener:** I thank the cabinet secretary and her officials for attending.

At its next meeting on 28 March, the committee will take evidence on the review of the Protection of Wild Mammals (Scotland) Act 2002 from the chair of the review, Lord Bonyon, and will also consider the Protection of Seals (Designation of Haul-Out Sites) (Scotland) Amendment Order 2017.

As agreed, we now move into private session, and I ask that the public gallery be cleared.

09:48

*Meeting continued in private until 12:51.*



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