

The Scottish Parliament Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 21 April 2010

Session 3



Wednesday 21 April 2010

CONTENTS

	Col.
Time for Reflection	25473
Fransmission Charging	25475
Motion moved—[Jim Mather].	
Amendment moved—[Lewis Macdonald].	
Amendment moved—[Gavin Brown].	
Amendment moved—[Liam McArthur].	
The Minister for Enterprise, Energy and Tourism (Jim Mather)	25475
Lewis Macdonald (Aberdeen Central) (Lab)	
Gavin Brown (Lothians) (Con)	
Liam McArthur (Orkney) (LD)	25489
Rob Gibson (Highlands and Islands) (SNP)	25492
lain Smith (North East Fife) (LD)	25495
Alasdair Allan (Western Isles) (SNP)	25497
Patrick Harvie (Glasgow) (Green)	25500
Maureen Watt (North East Scotland) (SNP)	25502
Ms Wendy Alexander (Paisley North) (Lab)	
Christopher Harvie (Mid Scotland and Fife) (SNP)	25507
Liam McArthur	
Alex Johnstone (North East Scotland) (Con)	25512
Lewis Macdonald	25515
Jim Mather	25519
Business Motions	25524
Motions moved—[Bruce Crawford]—and agreed to.	
DECISION TIME	
SCOTTISH FOOTBALL MUSEUM	25535
Motion debated—[Charlie Gordon].	
Charlie Gordon (Glasgow Cathcart) (Lab)	
Bill Kidd (Glasgow) (SNP)	
Bill Aitken (Glasgow) (Con)	
Hugh O'Donnell (Central Scotland) (LD)	
The Minister for Culture and External Affairs (Fiona Hyslop)	25542

Scottish Parliament

Wednesday 21 April 2010

[The Presiding Officer opened the meeting at 14:30]

Time for Reflection

The Presiding Officer (Alex Fergusson): The first item of business this afternoon is time for reflection. Our time for reflection leader today is Father Chris Boles, director of the Lauriston Jesuit Centre here in Edinburgh.

Father Chris Boles SJ (Lauriston Jesuit Centre, Edinburgh): I suppose that most of you here walk down the Canongate to get to the Parliament, so you regularly pass by the fascinating wall of this building that contains quotations from various people and sources, such as this one from the poem "Inversnaid" by Gerard Manley Hopkins:

"What would the world be, once bereft Of wet and wildness? Let them be left, O let them be left, wildness and wet; Long live the weeds and the wilderness yet."

What you might not know is that Hopkins was, like me, a Jesuit priest and that he wrote "Inversnaid" on a visit to Loch Lomond in 1881 while working in a parish in Glasgow.

At the same time as Hopkins was writing, another of the authors on the Canongate wall was living and loving the wet and wildness, not on Loch Lomond but in California. It is John Muir, and his quote on the wall is short and sweet:

"The battle for conservation will go on endlessly. It is part of the universal battle between right and wrong."

How right he was.

Hopkins and Muir were men ahead of their time. Both saw how impoverished our lives would be without wild places and the chance to be in nature. They were also men of deep faith, and Muir in particular has important lessons to teach us about finding the sacred in nature and our own place in the natural order. Nodding to another famous author on the Canongate wall, Muir elsewhere reminds us:

"From the dust of the earth, from the common elementary fund, the Creator has made Homo sapiens. From the same material God has made every other creature, however noxious and insignificant to us. They are earth-born companions, and our fellow mortals."

Because we share a common creaturehood with all other species, we do well to tread carefully on habitats not our own. Besides, we benefit greatly when we enter the world of nature, as Muir, again, reminds us: "Everybody needs beauty as well as bread, places to play in and pray in, where Nature may heal and cheer and give strength to body and soul alike."

If it is true that we all need beauty as well as bread, then you in particular, through the work of this Parliament, have the responsibility to ensure that both are provided in good measure. This you already do and, on behalf of all fellow mortals, I encourage you in your efforts.

Long live the weeds and the wilderness yet.

Transmission Charging

The Presiding Officer (Alex Fergusson): The next item of business is a debate on motion S3M-6169, in the name of Jim Mather, on transmission charging.

14:34

The Minister for Enterprise, Energy and Tourism (Jim Mather): I am pleased to have this opportunity to focus on transmission charging and Scotland's energy future. I am keen to hear everyone's views so that we can fully capture parliamentary opinion and build on the growing Scottish consensus for change.

Members know that transmission network use of system is the methodology used for the charges that are levied on generators for transmitting electricity across the Great Britain electricity grid network. National Grid—the company appointed by the Office of Gas and Electricity Markets to manage the GB grid—implements that charging regime, which levies higher charges for access and use of the transmission network on those generators furthest from centres of demand. As a result, Scottish generators pay the highest charges in the United Kingdom.

I appreciate that it is a technical and complex issue, but it is one that is hugely important for Scotland if we are to optimise our renewable generation; encourage energy sector investment; meet our renewable energy targets; deliver our vision for carbon capture and storage; ensure security of energy supply; help address the challenge of climate change; and consolidate economic recovery. Those are the national interests that drive us in relation to UK transmission charges, and they are heightened when we consider that Scotland has been a net exporter of electricity for many years, that Scotland has massive potential in conventional and renewable energy generation, and that delivering that potential will have mutual benefit for Scotland and the rest of the UK.

At UK level, the UK Government shares our aim of meeting climate change targets and ensuring security of supply. The UK Government also recognises that that will require it to be possible for large amounts of renewable and other low-carbon generation to connect to the GB electricity networks. The UK Government knows that Scotland will play a key role in helping to meet the UK 2020 targets for electricity from renewable sources—at least a third of the renewable energy that is needed will come from Scotland. That is why we are working closely with the UK Government, the European Union, National Grid, Ofgem and others.

As a result, we already have Ofgem approval for strengthening the interconnectors between Scotland and England and the development of connections to the Scottish islands, and Department of Energy and Climate Change and Ofgem support for upgrading onshore and offshore connections from Scotland to England through the electricity networks strategy group. In addition, Ofgem and National Grid accelerated grid connection dates for 450MW of new renewables projects across Scotland in May 2009, which was followed by the acceleration of a further 900MW of projects in November last year.

Meanwhile, we are promoting the concept of west coast and North Sea grids through joint working with the Republic of Ireland and Northern Ireland in the Irish-Scottish links in energy study; working with the UK and Irish Governments on the north seas countries offshore grid initiative and engagement with the European Adamowitsch group on developing the blueprint for an interconnected offshore North Sea grid; and identifying and agreeing even more areas for joint work through the British-Irish Council grid work stream.

However, we need to ensure that the UK energy regulatory framework helps to deliver those areas of mutual benefit. Key to that is charging for use of the GB energy grid system, which at present is a continuing barrier to achieving our renewable energy potential in Scotland. The defenders of the status quo use the argument that locational charging encourages generation closest to where it is needed most. National Grid and Ofgem believe that it sends signals to generators about where to locate to minimise the amount of energy that is lost through transmission.

Patrick Harvie (Glasgow) (Green): I want to pick up on the phrase, "defenders of the status quo". Anyone who reads the amendments to the motion would probably read into them that pretty much everyone recognises that there is a need to look at the system and to reform it. At the beginning of the debate, would the Government not strike a better tone by recognising that there are not very many defenders of the status quo left and building on that consensus?

Jim Mather: I take the member's point. In essence, there is growing consensus on the issue, but there are still defenders of the status quo. I am keen to build the Scottish consensus, and we will work on that today.

National Grid and Ofgem also believe that locational charging reflects the costs of building, developing and maintaining the grid system—that is their case. They contend that it ensures that the consumer is protected from unnecessary costs and that development of the grid is efficient and economic.

However, members will know that the grid system in Scotland and the rest of the UK was developed in the last century for a generation mix that consisted largely of conventional power stations that were close to cities. The fact is that the existing grid system was not and is not designed to deliver a more mixed energy supply from a wider geographical spread that includes a significant renewable energy element.

Consequently, the system needs significant reinforcement if it is to be able to connect and transport the energy of this century, and hence incorporate significant amounts of renewable energy from sources around the periphery of the system. The extent, cost and scope of that reinforcement are significant, and a key issue is how that is to be paid for. It is already becoming clear that the scale and nature of the investment that is needed to deliver a low-carbon future are likely to require reform of our energy market arrangements to deliver security of supply in the most affordable way. In all fairness, through Project Discovery, Ofgem is already working on the options for delivering security of supply and environmental objectives at an acceptable cost to the consumer.

Sarah Boyack (Edinburgh Central) (Lab): The minister quite rightly mentioned the bringing of new generation on to the grid from the furthest-away parts of Scotland. What is his take on the amount of microgeneration that we can bring on to the grid? Does the Scottish Government have any predictions on what it is aiming for in that regard?

Jim Mather: Predicting that would be very difficult, but we clearly expect the amount to be material, just as the number of approvals by local government is material. Of course we want a grid that is capable of taking advantage of that.

It is also clear that there is a growing consensus in Scotland, as evidenced by the Economy, Energy and Tourism Committee's report of June last year and by a wide range of industry and civic interests since then, that a locational charging approach is not fit for the purpose of delivering a more sustainable, low-carbon energy mix and ensuring security of energy supply. As everyone knows, Scotland has the best renewable resources in the UK and some of the best onshore and offshore renewable resources in Europe. Locational charging is a barrier to developing renewable energy generation and impacts on investment decisions in the Scottish energy sector.

The Scottish Government has already made the case for change to the existing charging approach. In September 2008, we proposed a flat-rate charging model.

Gavin Brown (Lothians) (Con): The minister is right that there is a consensus in favour of a

review. Is his position that there should be no locational element in the charging regime, or is he saying simply that the locational element should be reduced?

Jim Mather: We are not saying that in anything like as black-and-white terms. We are saying that there should be an open debate in which we look at all the options and that we should have that debate very much in the way that we have started and intend to continue.

Our model proposing a flat-rate charge was essentially based on work developed with Scottish Power, Scottish and Southern Energy and the Renewables Scottish Forum. Following consultation—and despite majority support for our proposal-National Grid refused to change the current system. National Grid remains unconvinced of the need for change and disagrees that the existing locational approach discourages renewable energy development. It refuses to accept that locational charging stifles competition in the UK energy market. We believe that a fairer charging regime would exponentially increase the number of renewable energy projects coming forward in Scotland, drive grid reinforcement, provide a level playing field across the GB system and encourage investment.

Those arguments are having some effect, for it is now clear that National Grid accepts that the transmission network use of system—TNUoS—approach can be improved on. As a result of our call for change, National Grid is now actively looking at reducing the volatility of levels of charging that results from locational charging and delivering a charging methodology for wind generation that could reduce the current locational tariff by up to 50 per cent. That shows both that there is a willingness to change the current system and that our arguments on locational charging are already making a difference, but we need to continue to press for change.

The case for change is building in Scotland. In its 2009 report, the Economy, Energy and Tourism Committee reported that it was "disturbed" about the current charging regime. The committee expressed particular concern that the charging regime is

"already undermining the viability of renewable energy developments in Scotland and could act as a major inhibitor to growth in this sector".

We welcome that unequivocal conclusion and statement.

We already have examples in Scotland of how the charging regime has prevented renewables projects from being pursued. In 2009, Statkraft UK Ltd announced that it would not proceed with a proposed wind project in Orkney of up to 125MW due to locational charging. However, the charging

regime affects not just renewables energy projects. In March 2010, Scottish and Southern Energy announced a review of investment at its Peterhead power plant due to the impact of high transmission charging. That puts 70 jobs at risk and could impact on security of supply. Earlier this week, energy sector and business and trade union leaders united in unilaterally opposing the locational charging approach and in urging the incoming UK Government to call for an urgent and thorough review. To build on that, I will shortly publish options for change to the locational charging approach. I commit to engaging industry and business leaders in discussing and identifying those options for change.

The case for change is also building in Westminster. February 2010, In the UK Parliament's Energy and Climate Change Committee published its report "The future of Britain's electricity networks", which is an important piece of work that sets out a number of the challenges for Governments to address. One of those challenges is the committee's conclusion that transmission charges

"should not discriminate against renewable energy wherever it is located in Britain".

On that, the Westminster committee agreed with this Parliament's Economy, Energy and Tourism Committee. The Westminster committee also recommended that DECC establish independent review to develop an appropriate charging methodology. The Scottish Government is now pressing UK ministers to agree that the work that we are leading can make an important contribution, and we have worked with and will continue to work with DECC as it uses its powers under the Energy Act 2008 to address the significant queue of renewable energy projects that are unable to connect to the GB grid at present, and to deliver better grid access for renewable generation.

The case for change is also building in Europe. In the UK, 5 per cent of electricity consumed in 2008 was produced by renewable sources. The European Union renewables directive of 2009 commits the UK to delivering 15 per cent from renewable sources by 2020. That ambitious target is a key driver for change in the GB electricity generation and supply system. We in Scotland are on target to deliver 50 per cent of gross electricity consumption from renewable sources by 2020, so we are well placed and willing and able to make a significant contribution to the overall UK target. The EU directive also requires member states to develop national renewable energy action plans that set out how they will meet the 2020 targets. Parts of the directive also focus on charging and access arrangements for renewable energy, particularly from peripheral areas.

Against such a backdrop, it is clear that the locational charging system was designed in a very different policy context than prevails currently in Scotland, at UK level, and at EU level. Policy developments now include the need to develop renewable energy capacity and low-carbon economies to offset the challenge of climate change and to ensure the security of future energy supply.

Much progress has been made in delivering the transition to a low-carbon, sustainable energy mix that will secure Scotland's energy future and deliver Scotland's energy potential. However, we are still deeply concerned that the current locational approach that is in use on the GB electricity grid is a fundamental and significant barrier to encouraging renewable development at the very time when we need to grow the renewable energy sector in Scotland and other parts of the UK. I am therefore working to develop further options for change to the charging regime that will form the basis of wider consultation and in-depth analysis, and I look forward to members' input today as we work those options out in more detail.

I move,

That the Parliament opposes the existing locational approach to charging electricity generators for access and use of the GB grid system applied by National Grid and Ofgem that results in areas with the greatest renewables potential facing the highest charges in the United Kingdom; agrees that locational charging is a barrier to delivering renewable energy generation from Scotland, impacts on investment decisions and the growth of the Scottish energy sector and undermines delivery of a balanced, diverse and sustainable energy mix that helps to meet the challenge of climate change through moving to a low-carbon energy generation mix; supports the Scottish Government in continuing to work with industry, utilities, academia and environmentalist and business organisations to address the issue of high transmission charges, and welcomes the work now in hand to develop and deliver options for change to the transmission charging regime that will help deliver Scotland's energy potential and ensure security of energy supply.

14:47

Lewis Macdonald (Aberdeen Central) (Lab): I apologise for missing the minister's first remarks.

The debate is principally about the case for a review of the British electricity trading and transmission arrangements, and how they can best be brought up to date in the light of carbon reduction targets and aspirations to achieve carbon capture.

At the same time, it is important that we recognise a number of points that the minister has not highlighted in his motion or, indeed, in his opening remarks. First, we must acknowledge how successful BETTA has been from the point of view of Scottish electricity consumers. A decade ago,

the typical electricity bill in Scotland was up to 20 per cent higher than the equivalent bill in England and Wales. The Scottish electricity market and producers of Scottish electricity were constrained in their potential for export earnings by the fact that they operated separately from the market in England and Wales.

Rob Gibson (Highlands and Islands) (SNP): Is it not the case that consumers in Scotland used more electricity, perhaps because of colder winters, and that the costs to them were not exactly the same as the average in England?

Lewis Macdonald: If Mr Gibson is suggesting differentials electricity were working significantly against Scottish consumers' interests before the introduction of BETTA as consequence of colder weather or poorer insulation, he is not accurate. When we average out and allow for those other factors, we discover that the differential in, for example, prepaid electricity bills has come down by two thirds since the introduction of BETTA. In other words, if the constant is that our weather is colder and our costs are higher because our home insulation is poorer, that constant has shown a change in the price to customers precisely because of the inclusion of Scotland in the same electricity market as England and Wales.

Rob Gibson: Given improvements in home insulation during the 10-year period, does the member agree that the picture of the value of BETTA is more complicated than he suggests and that we should be careful not to make generalisations?

Lewis Macdonald: We should indeed be careful, but the general point that BETTA has improved electricity prices for Scottish consumers is demonstrable, not only in respect of average bills but in other respects, to which I will turn.

The fact that the Scottish electricity market was separate from that of the rest of Great Britain meant that, far from being able to explore ideas of North Sea or European supergrids, in the aftermath of privatisation of the electricity industry we did not even have a single integrated grid in the whole of Great Britain. BETTA has changed that. It has provided an integrated network, which has worked to the benefit of Scottish generators and Scottish consumers, by giving producers access to a wider market and by giving customers lower prices. The differential price advantage of buying power in Scotland has been greatly reduced.

The current system needs to be reviewed and reformed, to better reflect the balance of public policy priorities. However, it should not be dismissed or demonised by people who choose to

overlook the clear benefits of an integrated system across Great Britain.

Consumers benefit from the current system in a number of other important ways. The network costs of transmission and distribution of electricity in Scotland are significantly higher than our population share, which is hardly surprising, given the area that is covered and the sparse population in many areas. Electricity generators pay more towards network costs in Scotland than they do in England and Wales. That needs to be reconsidered. However, Scottish retailers pay considerably less, which means a saving for their customers.

A generator in Aberdeenshire, for example, will pay £18.81 per kilowatt to produce electricity and a customer there will pay £5.87, via the average demand tariff charged to his or her supplier. A generator in Bedfordshire will pay only £1.56 per kilowatt—about 8 per cent of the Aberdeenshire tariff—but a customer in Bedfordshire will pay a whopping £21.84, which is nearly four times as much as his Aberdeenshire counterpart pays.

Total yield from transmission charges is some £1.41 billion per year across Great Britain, which pays for the maintenance and operation of an integrated transmission network. If we take generators and suppliers together, Scotland pays in £190 million per year. Annual network costs work out at £250 million in Scotland and £1.16 billion in England and Wales, which means that the subsidy to Scotland from transmission charges relative to network costs is some £60 million per year.

Of course, that is small comfort to Scottish generators, who get the hard end of that bargain, but it is important to ensure that any changes to the charges that generators face do not result in hefty price increases for Scottish customers or in a loss of the union dividend of £60 million in net subsidy to the Scottish grid from customers in the rest of Great Britain.

Another union dividend that must be taken into account is focused on the million or so domestic supply customers in the north of Scotland. The hydro benefit replacement scheme and common tariff obligation came into force on the switch to BETTA in 2005, replacing similar schemes. The schemes protect domestic customers in remote and rural areas of the Highlands and Islands from discriminatory pricing and provide a subsidy to customers in the north of Scotland as a whole in relation to the exceptional cost of transmitting and distributing electricity. The licensed suppliers of electricity across England, Wales and Scotland pay upwards of £40 million a year into hydro benefit, which goes exclusively to benefit the 2 per cent of all customers governed by BETTA who live in the north of Scotland.

The hydro benefit is hugely significant to customers. It is unique, in that the north of Scotland is the only area of Great Britain to benefit from such a scheme. It is also entirely justified. As Scottish and Southern Energy said when the scheme had its most recent review:

"the system length per 1,000 customers is still more than double the GB average and the average cost per unit distributed is ... approximately 60% higher than the GB average. Even with assistance from the Hydro Benefit Replacement Scheme"—

and even with the benefits of BETTA-

"costs to North of Scotland customers remain higher than in any other distribution network area and higher than the GB average."

Scotland as a whole receives £60 million of network costs subsidy from England and Wales, and customers in the north of Scotland receive £40 million of hydro benefit from consumers across the whole of Great Britain. That is £100 million of subsidy that Scotland would have to find from its own resources if we were not part of the British electricity network. We must not lose that union dividend and those benefits for customers in the process of addressing the competitive disadvantage that Scottish generators face compared with their counterparts elsewhere.

Maureen Watt (North East Scotland) (SNP): Scotland currently exports electricity to the rest of the UK and would export much more if we could expand our renewables sector, for which we could identify a separate charge. Would Scotland not profit from that instead of being dependent, as the member suggests?

Lewis Macdonald: With respect, the member is confusing two different things. My point is that we need to remain within the British trading and transmission arrangements and make them work better; we do not need to pull out of them or change them in such a way as to jeopardise the interests of Scottish consumers.

Dave Thompson (Highlands and Islands) (SNP): It is a fair point to say that Scotland needs to remain within the trading arrangements, but that would not change if we were independent and running our own system. Would the member suggest that the UK give up its independence and join Europe so that we could trade with Europe in such things with a grid in the North Sea?

Lewis Macdonald: That is an interesting proposition from Mr Thompson. An SNP commitment to remain within the British electricity network is welcome and I hope that the minister echoes that from the front bench when he responds to the debate.

Addressing the competitiveness disadvantages that Scottish generators face is the purpose of Labour's amendment. We are calling for a wider

review of the charging regimes under BETTA while ensuring that the interests of consumers, as well as those of generators, are protected.

There has been much discussion here and at Westminster about what is to be done if we are to meet the challenging targets that we have set ourselves for the reduction of carbon emissions to tackle climate change. Heating and transport fuels are among the most important targets for carbon reduction. Achieving significant savings may involve investing in a whole new infrastructure for electric vehicles and in combined heat and power systems, whereby heat is produced at the same time as electricity. If those things happen, demand will increase and electricity networks across Great Britain will come under significant pressure. A step change in demand and supply will require a step change in the way that we charge for the transmission, distribution and consumption of electricity, and it will require a fresh look at how we can maximise Scotland's potential contribution to the meeting of that demand.

I am glad that, in recent weeks, an air of reality has begun to creep into the debate. For too long, the case for the reform of BETTA has been made in terms of renewable energy alone although there is precious little evidence-Mr Mather rehearsed all the evidence that exists—that transmission charges have deterred investors from reaping the considerable rewards that are to be had from developing wind power in Scotland thanks to the UK-wide system of renewables obligation certificates. Far more serious obstacles have been placed in the way of new development by the uncertainty of grid connection, and the regulators have taken significant steps in recent months to ease the bottlenecks by allowing active developers to move up the queue at the expense of those who have made only speculative proposals and lack the capital to make them happen.

Greater obstacles have also come from the approach of the Scottish Government. Ministers' power decisions to reject major wind developments such as those proposed for Lewis, for Clashindarroch in Aberdeenshire, for Calliachar in Perthshire, and for Kyle and Greenock has done far more to deter investment than any charges for transmission or distribution. Furthermore, the inordinate delay in approving the Beauly to Denny power line has pushed back beyond 2012 many of the grid connections that ministers could have enabled next year had they moved more quickly on that decision.

As the minister said, work is going ahead on wind power transmission charges, not on the premise that wind power suffers a fundamental disadvantage under the current system, but in recognition of the fact that wind power is a less efficient source of electricity at peak time than

coal, gas or nuclear power. That work is welcome and could see charges to wind generators in Scotland cut by up to 50 per cent by this time next year simply because wind-generated electricity is half as likely to take up space in the grid as electricity from more conventional resources.

However, the renewables argument, on its own, is simply not enough. I am delighted that the major Scottish power companies are now raising real concerns about transmission charges, namely the impact of the charging regime on the future of thermal generation in Scotland. Whoever advised the big power companies simply to hide behind the skirts of the renewables sector did them a disservice. The issues that concern those companies cannot be addressed if they are not raised in an open and transparent way. Scottish and Southern Energy is talking about the impact of transmission charges on the gas-fired power station at Peterhead, and Scottish Power is raising concerns about Cockenzie and Longannet. The future potential of carbon capture and storage is said to be at risk.

All of Scotland's thermal power stations require to be upgraded in the short term and replaced in the longer term. How to do that is a matter of controversy and debate for another day. New coal, with a bit of carbon capture, at Hunterston, say some; new nuclear, with virtually no carbon emissions, at Torness, say others; retrofitting carbon capture at Longannet, as long as it can deliver at scale, says almost everyone. All those options offer potential future capacity and all face potential investment risk from transmission charges that incentivise investors to go elsewhere. That is why we need a review of the current charging regimes. National Grid's licence, Ofgem's remit and the policy of the UK Department of Energy and Climate Change all need to reflect the and circumstances changing enable replacement of existing thermal generation with new power stations, as well as unlocking Scotland's vast resources of renewable energy.

Labour at Westminster will consider all that, with the interests of consumers and generators firmly in view. Labour at Holyrood will pursue the issues in a way that is positive, responsible and realistic, which means supporting what works in the current system, as well as promoting change, where that is required.

I move amendment S3M-6169.2, to leave out from "opposes" to end and insert:

"recognises the importance of the British Electricity Trading and Transmission Arrangements in balancing supply and demand across the electricity networks and in supporting future energy development; acknowledges that the current charging regimes provide some advantages to Scottish consumers as well as some disadvantages to Scottish generators; recognises that Scottish and UK targets for reducing carbon emissions are likely to increase

demand on the electricity networks, requiring significant new investments and changes to these charging regimes; welcomes the current review of transmission charges for intermittent renewable generation, which could lead to significant savings for wind generators in Scotland, and calls for a wider review of network charging regimes to support low-carbon electricity generation while protecting the interests of consumers."

The Presiding Officer: I point out to members that we have a bit of time available in the debate, so I will not be too stringent about length of speeches.

15:02

Gavin Brown (Lothians) (Con): You might regret saying that, Presiding Officer. I will start by moving the amendment in my name.

This important debate concerns a matter that is strategically vital to our energy industry in the short, medium and long terms. I start on a firm note of consensus: the Conservatives agree that there must be a review of the transmission charging methodology and that that review should take place sooner rather than later. Indeed, we have used the word "urgent" in the amendment.

As we have heard, the current locational model for transmission charging has its origins in another era. At the time when it was established, renewable energy and carbon emissions were not at the centre of public policy—indeed, they might not even have been at the fringes of public policy. At that time, everything was focused on price and security of supply, so we got the system to suit those policy objectives.

The game since then has changed completely. I am pleased to say that renewable energy forms a central part of the vision of every party in this Parliament and at Westminster. Furthermore, climate change targets are now set out in legislation north and south of the border, so one element has changed completely. It is clear that if we were to design the system of transmission charging today from a blank slate, we would not end up with the current scenario.

Locational charging makes little sense in the case of renewable generation. The idea that we can encourage power stations to locate closer to centres of population can work from a thermal power point of view—at least, it used to work. However, a power station or a supplier of energy has to locate close to the potential power source, so renewable technologies have to locate where the waves, the tides and the winds are. In Scotland, much of the marine power will be based in the Pentland Firth, so those facilities have no choice about where they must locate.

The review must take place, it must include the additional element and it must adapt to the policy

agenda of today, tomorrow and the future. Furthermore, in doing all of that, it has to ensure that there is no disadvantage to Scotland in terms of investment in energy.

The minister referred to the report that the Economy, Energy and Tourism Committee published a year ago. It was apparent to me and, probably, to all members of the committee that the economics of the totality of the transmission charging regime are considerably more complex than they might at first appear. It is easy to make the case that Scotland is getting a terrible deal and that we must fight tooth and nail against that. In some of the First Minister's press releases and statements—although not in the minister's speech today—a black-and-white situation has been painted that ignores much of the complexity that exists. There are several dimensions to the issue.

The figures that the First Minister has cited relate only to the infrastructure costs of transmission charging. When the Economy, Energy and Tourism Committee investigated the issue, it became clear that there are at least three elements to transmission charging; Mr Macdonald spoke about a few additional elements today. The operating costs—not just the infrastructure costs—of transmission charging were discussed. With infrastructure costs, there is a flow from north to south, but with operating costs there is a flow—although not to the same degree—from south to north

In addition, an element of transmission charges is paid directly by consumers. I know that the figures that I have are out of date, because the evidence session at which they were presented to the committee took place a year ago, but they suggest that English consumers pay about £1.1 billion a year, whereas Scottish consumers pay about £50 million—about 5 per cent of the total, instead of about 10 per cent, as one might expect on a crude analysis. Those figures are out of date and may be challenged, but they were presented to the committee when it took evidence on the subject. It is important to look at all of the elements of transmission charging, instead of focusing on one black-and-white issue.

We agree strongly that a review must take place urgently. I think that my party is in a slightly different position from the Government, in that we believe that the review should not be prejudged. Previously, I had the impression that the minister was firmly of the view that transmission charging should include no locational element. However, when I asked him today, his position did not seem to be quite so firm. We think that all of the evidence must be put on the Representatives of Scottish Power, Scottish and Southern Energy, Scottish Renewables, National Grid and Ofgem were present at the evidence session to which I have referred. It was apparent to all members that there were competing analyses and that facts were disputed by both sides. In some senses, the position was quite murky, and it was clear that something needs to be done. It is important that the review be comprehensive and that every statement be tested, so that we end up with a charging regime that reflects all of today's current policy and considers all elements.

It could be argued that some degree of locational charging might still make sense. Should some power stations be built closer to centres of population, to reflect the fact that electricity is lost in transmission and that many people do not like having electricity pylons and lines in their areas? The system must be changed, but I am not convinced that there should be no locational element. For the sake of the customer interest, there should be a degree of cost-reflective charging. However, I accept that the current position must change.

At the same time, it would be useful for us to have a debate on the effects of the transmission charging regime on investment in renewables and the energy industry. Today we have heard competing analyses. The minister mentioned two projects in which he thought that investment had not gone ahead because of transmission charges. When the Economy, Energy and Tourism Committee took evidence from a representative of Scottish Renewables, he said that he had evidence of several such cases but was not, for commercial reasons, at liberty to mention them, which is perfectly understandable.

In the same evidence session, however, it was admitted that the regime is not completely prohibitive and the picture that was painted of the sheer number of projects that were going ahead certainly suggested that it is not quite as prohibitive as some people had been making out, although it is useful to have the debate and to find out the regime's exact effect on investment instead of simply relying on one or two examples from each side.

In conclusion, we feel that a review is required and that it should happen urgently.

If I did not do so at the beginning of my speech, I move amendment S3M-6169.1, to leave out from "opposes" to end and insert:

"notes that the existing locational approach to charging electricity generators for access and use of the GB grid system was first designed prior to the development of the UK public policy objectives and targets regarding carbon emissions and renewable energy; notes that the economics of transmission charging has a number of elements and involves a significant contribution from consumers, infrastructure costs of transmission and operating costs of transmission; believes that there should be an urgent review of transmission charging methodology, taking into

account all the existing public policy objectives, and further believes that a review should find a solution that does not disadvantage investment in Scotland."

The Presiding Officer: You did move the amendment at the start, but I very much welcome the fact that you have taken up extra time.

15:10

Liam McArthur (Orkney) (LD): Last week, I led a debate in the chamber on the need for rural areas to be allowed to benefit from a lower fuel duty rate to reflect the facts that far higher prices are paid at the pump, and that for many people who live and work in communities where public transport options are limited, the car is not a luxury, but very much a necessity. Although, as Alex Johnstone will probably testify, the debate and the subsequent vote demonstrated the general consensus about the need for action, that did not stop all manner of accusations being levelled at members of all parties.

Today, again, a general consensus is emerging. Patrick Harvie was absolutely right to point out that, even though the chamber is rather sparsely populated, we will still not find any of what the minister called

"the defenders of the status quo"

within these four walls. That said, Mr Mather was also right to point out that there are people who will go to great lengths to make the case either for the current regime or for something that very much approximates it. Despite that, I am confident that we will not hear any accusations of hypocrisy or references hypocrites this afternoon. to [Interruption.] That is half of Iain Smith's speech gone. That consensus has already been reflected in the speeches that have been made and in the motion and amendments that have been lodged by the minister, and by Lewis Macdonald and Gavin Brown. Although I have a great deal of sympathy with what both Mr Macdonald and Mr Brown said, I think that the Government's motion, with the addition of my amendment-which I have pleasure in moving now and will move again at the end of my speech—best reflects my party's position in the debate.

The combination also best reflects the united view of the influential group of individuals whose interest in our future energy policy prompted them earlier this week to write to each of the party leaders in advance of this debate. Scottish Power, SSE and a range of leading business and union representatives have joined together to put forward what most of us will agree is a pretty clear and compelling case, although we might agree with the various arguments to greater or lesser extents. In essence, the group seeks an urgent review of the UK transmission regime for four main

reasons and, although the language in which each of the amendments is couched might differ slightly, it is evident from them that that is something that we all readily sign up to.

Of course, that should not come as a surprise, given that in February the House of Commons Energy and Climate Change Committee made a similar recommendation, calling for a full and proper independent review to inform

"a fair and open transmission access and charging regime".

Although Gavin Brown quite rightly identified some of the problems that are inherent in achieving consensus in that debate, we are nevertheless right to embark urgently on this process.

Scotland suffers from a transmission pricing structure that requires electricity generators that are seeking to connect to the grid to pay increased charges the further away they are from the market. That is the rationale behind the locational regime. Given that the most potent renewable energy sources are located in the most remote areas, the charging system penalises green energy suppliers and hampers the realisation of Scotland's renewable energy potential.

I deeply regret, and am very worried by, evidence that developers are being actively discouraged from investing in renewable energy projects in Scotland because of the way in which these charges affect their deliverability. Lewis Macdonald pointed to the limited evidence on that, but there is evidence and it bears scrutiny. In my constituency, which the minister referred to, we are extremely proud of the world lead that we are taking in development of marine renewables, but there has already been a decision by Fairwind Statkraft Orkney Ltd essentially to shelve plans to progress its onshore wind proposals. It has been made abundantly clear that that is due largely, although not exclusively, to the prohibitive costs that result from the current charging regime.

Given Scotland's massive renewables potential, it seems to be absurd that it has been estimated that a project on Orkney faces paying as much as £42.13 per kilowatt for the privilege of connecting to the grid, while projects in the south-west of England could find themselves eligible for subsidies of up to £7 per kilowatt. At this point, it would be appropriate for me to acknowledge the point that Gavin Brown made about the dangers of seeing the debate in stark black-and-white terms—in terms of Scotland versus England. I also acknowledge that the minister steered a diplomatic course around that.

Amid all the optimism and no little hyperbole surrounding the Crown Estate's recent announcement of the first round of wave and tidal licences in Orkney waters and the Pentland Firth, we should not lose sight of the potential threat that

is posed by the uncertainty and costs that are inherent in the current transmission regime. If the fears are realised, that would be a pretty shameful indictment of us as policy makers. As Martin McAdam of Aquamarine Power Ltd made clear, the charging structure "fundamentally makes no sense".

I accept Gavin Brown's suggestion that the regime was devised and set up prior to the public policy objectives that we now have, particularly those relating to climate change and security of supply. I could make the point that some of the current problems have arisen overestimates—certainly in the case of the northern isles-of the capacity of future wind arrays combined with what appears to be significant underestimation of the likely capital costs. Nevertheless, the point that Mr Brown made in his argument and in his amendment makes the case well for why the review that we all appear to support is much needed, as a matter of urgency.

If the UK as a whole is to get anywhere close to the renewables production targets that it has to achieve by 2020, Scotland will be required to shoulder much of the responsibility. The Scottish Liberal Democrats are only too happy for the Parliament, the Government and all of us to embrace that responsibility, but we will be required to will the means as well as the ends. The process should include an overhaul of the charging regime. Failure to achieve that in a timescale that recognises the urgency of the challenges that we face could well result in jobs and wealth creation opportunities being captured elsewhere. We are already seeing risks in that regard. Again, we could leave ourselves open to accusations of negligence on a grand scale. With natural resources, research, engineering skills and a company base at our disposal-notably in our world-leading oil and gas sector—we must surely not allow the competitive advantage that we enjoy to be squandered.

It is not only renewables developers who risk losing out; Scotland is well placed to take advantage of the developing carbon capture and storage technology by dint of being sited close to the viable storage features of the North Sea. However, it appears that prospective facilities that hope to utilise CCS technologies could also be penalised by the current transmission charging regime. Scottish Power has made clear the risks that it sees in that regard. The charging regime could have an impact on its investment decisions. Given that the proposed pilot project at the company's Longannet plant is surely in pole position to secure funding and there is an opportunity to demonstrate that CCS can be delivered and is viable on a large scale, we would do well to heed that warning. That is why my amendment seeks to draw out that point

specifically. Lewis Macdonald alluded to that. There may be more limited opportunities for CCS deployment in Scotland, but they could still have an important role to play in helping us to decarbonise our energy production and our overall economy. The potential for that technology to help to deliver real and lasting benefits globally is what is most exciting. With the likes of China and India likely to be reliant on abundant coal deposits for some time to come, the opportunities in that field are not difficult to imagine.

The remarks that have been made so far have set a fairly downbeat tone. There have been improvements, some of which the minister alluded to, and progress has been made. There appears to be an acceptance in Ofgem that the TNUOS regime can be improved. The debate that we might still have to have is about the scale of improvements that are required. There have been improvements. Having the charging for wind generation not pegged to peak demand has been welcomed by the renewables industry. In my constituency, the registered power zone initiative has been broadly welcomed and has allowed for much more active management of the grid locally. That has provided additional headroom, in the absence of longer-term solutions, in the grid infrastructure that supports the islands.

The reasons that I have set out underscore the Scottish Liberal Democrats' belief that the rules that govern use of the network should be reformed to provide equality throughout the grid and investor confidence in renewables developments in Scotland. Without such reform, there is a real risk that we will discourage investment in renewable energy, jeopardise security of supply and undermine economic and employment opportunities, while putting in doubt our ability to achieve our climate change targets. That is not only the position of the Liberal Democrats—a broad consensus now exists across borders, parties and sectors. It is crucial that we exploit that in pursuing the review that we all support.

I move amendment S3M-6169.3, to insert at end:

"; recognises also that the current system of charging threatens efforts to develop and deploy large-scale carbon capture and storage technology; believes that it now is essential that an urgent review of the locational charging regime be carried out, and urges the Scottish Government to work with any incoming UK administration to help ensure that such a review gets underway before the end of 2010."

15:21

Rob Gibson (Highlands and Islands) (SNP): I, too, was involved in the exercise that the Economy, Energy and Tourism Committee undertook in considering our energy future. In evidence to the committee, Audrey MacIver of

Highlands and Islands Enterprise said that the charging regime for access to the grid is, potentially, discriminatory and in contravention of European Union directive 2001/77/EC, on the promotion of fair transmission charging. I submit my remarks in that context. I will rehearse some of the arguments that Highlands and Islands Enterprise made in adopting that position.

As members agree, the potential impact of transmission charges is discrimination against renewable energy sources in peripheral regions, such as islands or areas of low population density. However, there is also distortion of the crossborder trade. It is hard to separate the issues of discriminatory access and charging. The Labour and Conservative spokespersons enunciated the detail on that. However, contractual access at uneconomic costs has no value. In effect, the locational charging approach in Great Britain discriminates against areas of low population density and, by extension, against renewable energy.

Lewis Macdonald: I am interested in Rob Gibson's explanation for why the locational element, which encourages the siting of power stations close to centres of population is, "by extension," discriminatory against renewable energy. There is clearly a coincidence in relation to where renewable energy is located, but surely the critique of the current system is based on its impact on thermal as well as on renewable generation in those areas.

Rob Gibson: I am about to come on to that.

Current costs are based on capacity, but that discriminates against low-load-factor plants such as renewables plants as well as back-up plant for renewables and storage plant. Pumped storage gets a double whammy in that respect. The locational charges to which Mr Macdonald referred and which I am discussing are very inflexible. Renewables must be where the resource is and nuclear power must be where the consentable sites are. There is an issue about where those developments can be set up and what charges will be made. Coal and gas plants have to be where the carbon transport and storage infrastructure is. However the modern system is configured, it should recognise that location is a factor, but we must consider whether there needs to be a charge for that.

There is an impact on consumers. Do consumers in low transmission charge areas benefit from lower wholesale electricity prices? It is a complex picture. Although we think that the BETTA system is getting BETTA and BETTA for consumers in the far north of Scotland, I suggest that if there were local electricity grids, they would not be part of that system. In the future, because we are going to turn grids round, instead of

generating electricity in a central place and stretching it out into thin copper wires at the far end, we will see the opposite. There is, therefore, still room for people to set up new forms of grid. I suggest that the question of lower wholesale prices and so on is germane. Do customers of generators that pay lower transmission charges benefit from lower wholesale electricity prices? If all charges are passed on to consumers, why differentiate?

The issue of cross-border trading—not just between Scotland and England—is interesting. Take the example that Dr Keith MacLean has used of trading between France, the UK and Ireland, which is a European arrangement. The generator pays once, in the home state. The differences in the cost are dealt with through intertransmission system operator compensation—the ITC mechanism. The costs of ITC are added to the domestic transmission charges. In Great Britain, the transmission charges are locational, but in France there is a flat rate, which is based on usage. One can get electricity from anywhere in France and export it and it will be the same price. In Ireland, they have a flat rate, which is based on capacity.

Here are the anomalies. If one trades from the UK to Ireland, the north of Scotland generator has to pay £22 per kilowatt, but the south-east of England generator is paid £7 per kilowatt. On supply to England, the north of Scotland generator pays £22 per kilowatt and the Irish generator pays £6 per kilowatt. Supplying from anywhere in France is cheaper than from anywhere in Scotland. Is the BETTA system actually working for us? I wonder.

I turn to the renewables directive, which makes it illegal for electricity transmission costs in member states to discriminate against electricity from renewable energy sources including, in particular, electricity that is produced in peripheral regions, such as the north of Scotland. Logically, one would suggest that the EU law is unanswerable, but Britain might argue that the charging regime is cost reflective. People are suggesting that somehow or other we in the north of Scotland are benefiting more than we are paying in. In fact, the discrimination is in a European context. I ask those who might form the next Government in London whether they will work with the directive or against it. If Scotland works with the European directive, it will give Scottish producers and consumers a far better deal. In accepting that, I will be interested to hear the Labour and Tory spokespeople sum upassuming, of course, that Mr Clegg is not going to be Prime Minister.

The Highlands and Islands and the rest of Scotland have to have confidence. We have to

ensure that we take a logical and sensible approach. If we can avoid the possible obstacles, the opportunity exists for Scotland to be part of the European grid that we talked about. I have to say that it is high time we had answers in that context, because to talk purely about a British grid is to miss the bigger picture.

15:28

lain Smith (North East Fife) (LD): I am pleased to contribute to the debate, which allows us to reflect on how far, or otherwise, we have travelled since the Economy, Energy and Tourism Committee's report was published last summer. The report, which was unanimously approved by the committee, including Lewis Macdonald and Gavin Brown, says at paragraph 121:

"The Committee is disturbed at the evidence received in relation to the current and planned charging and access regimes to the transmission networks. It is particularly concerned that this is already undermining the viability of renewable energy developments in Scotland and could act as a major inhibitor to growth in this sector. The Committee supports the calls from the Scottish Government and the various energy utilities in Scotland for Ofgem and others to substantially rethink their planned charges."

The committee approved that view unanimously less than a year ago, and the consensus in the Parliament is still that a substantial rethink of the planned charges is needed.

We must return to first principles. If we were to start with a blank sheet of paper, we would not develop an electricity charging regime such as the United Kingdom has. The regime has been built up piecemeal and is absurdly complicated. When the new charging regime was introduced in April 2005, Ofgem issued a press briefing that described the charging principles. It said that the

"New ways of charging to transmit electricity will need to ... help competition in electricity generation and supply markets to operate properly across GB ... reflect the real costs of transmitting electricity, and ... send important signals about the costs of locating generators in different parts of the country",

which

"will influence decisions on which older power stations should close and where new stations should be located."

The problem is that the regime is based far too much on the final point about location, rather than on the previous points. The regime certainly does not reflect the

"real costs of transmitting electricity".

It cannot be logical that putting a kilowatt of electricity into the grid costs minus £7 in Cornwall but £21 in the north of Scotland. The cost cannot be negative—otherwise, every power station would be built in Cornwall and we would all make

money from the fact that the grid costs minus £7 per kilowatt to operate there.

The problem is that the location element is based on what is now a flawed principle—the old-fashioned model of electricity production that involves large thermal or nuclear power stations that serve large populations. That is not the way ahead: it is certainly not the way ahead in Scotland, where we have a different approach.

Electricity power stations have always been located near sources of raw materials. It is important for nuclear power stations to be near large bodies of water for cooling, so they are usually by the sea. Coal power stations were traditionally built near coalfields and are now more likely to be built near ports, where coal is brought in from abroad. Gas power stations are built where the gas network can access them easily.

Power stations are built not nearest to the customer but to the raw materials that they require to produce electricity. That applies more to renewable energy than to any other source. It is self-evident that a tidal power station cannot be built in the middle of Birmingham; it must be located somewhere that has a tide. Likewise, wave generation needs waves and wind generation needs a wind source. The problem is that renewable energy is not subject to the same locational drivers as people might almost be able to argue in favour of in relation to thermal power stations.

Lewis Macdonald: I take that point, but does Mr Smith accept that a location element makes sense in some contexts? For example, providing electricity to Birmingham in a way that minimises transmission losses en route has clear economic, environmental and cost benefits for all concerned.

lain Smith: The meat of the issue is that the transmission charging regime is no longer based on our United Kingdom energy policy objectives. The objectives should be to reduce carbon emissions, to maximise the use of renewables and to minimise transmission losses wherever possible.

The existing locational charges are based on a false premise about what we are doing. We need to review from basics the principles and policies for the transmission network, rather than try to reform a system that is based on the wrong principles. We might disagree on that later, but the general view is that that change to the charging regime is needed. For example, the House of Commons Energy and Climate Change Committee said:

"We note Ofgem's long-term commitment to the model of locational charging, but given the evidence we have received we recommend the Department establishes an

independent review to develop an appropriate transmission charging methodology."

That committee thinks that the charging methodology is wrong and needs to be revised. That is fundamental.

Sadly, that is not yet recognised by the current UK Labour Government or the regulator. The House of Commons report states:

"Both Ofgem and the Government argued strongly in favour of cost-reflective"

-that is, locational-

"transmission charges. The regulator believes it promotes efficient development and use of the network, which is in the interests of current and future consumers. The Minister told us: 'If we do not have a signal that helps people think [...] about how and where they will locate their plant, then there is a risk obviously that we get too much investment in areas across the system that are too far from demand'."

The problem is that Ofgem's thinking is still based on that false premise, whereas we need to move on to new thinking, as the House of Commons committee's report suggests.

Some key issues need to be addressed. We must ensure that there are no perverse disincentives to investing in renewable energy in Scotland because of transmission charges. As Liam McArthur rightly highlighted and as our amendment highlights, we also need to ensure that there are no perverse disincentives to investing in carbon capture and storage in Scotland because of the current charging regime. We need to simplify that regime. I looked at the national grid's charging statements. It is necessary to have a fairly good degree in mathematics to understand how the charging comes about. The current charging regime is absolutely absurd; it is far too complex and it relies on too many charges and counter-charges. We need to get away from that approach. We need a simplified system of charging, which is simple to understand, is fair to all and encourages investment in renewables and other low-carbon technologies. The current charging regime does not do that.

15:36

Alasdair Allan (Western Isles) (SNP): Representing, as I do, a constituency that regularly, and not without some reason, boasts some of the best waves and wind in Europe, I often find myself speaking to people who are trying to set up community wind turbines, and in one case a community-owned wave power project. The obstacles that the people behind such projects face are numerous, but they are universally of the view that the transmission

charging system that applies to Scotland does not help matters.

Scotland's natural resource base for renewables is extraordinary by European and even global standards. In addition to an existing installed capacity of 1.3GW of hydroelectric schemes, Scotland has an estimated potential of 36.5GW of wind power and 7.5GW of tidal power, which is 25 per cent of the estimated total capacity for the European Union, and—I can go on—up to 14GW of wave power potential, which is 10 per cent of EU capacity. Scotland on Sunday reported in March 2010 that Scotland's renewable electricity generating capacity may be 60GW or more, which is considerably greater than the existing 10.3GW capacity from all Scottish fuel sources.

Much of that potential remains untapped, but continuing improvements in engineering are enabling more of the renewable resource to be utilised. However, as many members have said, the current transmission charging regime is not helping us to get there. The system was designed for another time and another set of problems. Locational signals mean that generators in southern England, including, rather surprisingly, coal and gas plants, are subsidised to connect to the grid when renewable energy installations in Scotland face heavy charges.

I hear what members say about the multiple facets to this debate, but consider some concrete examples, some of which members have mentioned. In 2010-11, Whitelee, a wind farm in the south of Scotland, will pay £4 million in charges, whereas Langage, a 905MW gas power station in the south-west of England, will receive a £5.3 million subsidy. Meanwhile, Renewables has calculated that marine energy projects in waters off the coast of Scotland face paying as much as £50 million a year to connect to the national grid, while some energy schemes in the south-west of England could receive, as members have said, an annual grant. Under the UK's current transmission charging scheme, which is calculated according to location, projects in areas such as Orkney face paying as much as £42 per kilowatt for the privilege of connecting to the grid, while others could be subsidised.

I could go on with such examples, but let me confine myself to saying that Scottish Renewables has calculated that Langage, which is a 905MW combined cycle gas turbine plant, is entitled to an annual subsidy of £5.3 million under the current system, while marine energy projects located in the Pentland Firth and Orkney may have to pay for the privilege of transporting electricity to UK households.

Niall Stuart, chief executive of Scottish Renewables, is on record as saying:

"Marine energy offers massive environmental and economic opportunities for Scotland. We should be doing everything we can to support and nurture this new industry rather than putting hurdles in their way."

He went so far as to say that National Grid's location-based model is inconsistent with the UK Government's drive to source a greater share of the UK's energy from renewable sources:

"These figures show that transmission charging is swimming against the tide of every other government policy designed to support the growth of renewables ... Fossil fuel plants in the south of England are receiving heavy subsidies from the current system."

The point is not only that the system is obviously unfair to Scotland and to a lesser extent to the north of England, but that, because so many of the renewable opportunities in the UK are in Scotland, it is bad for renewables at a UK level, too.

Lewis Macdonald: Does Dr Allan recognise that what he says about the impact on fossil fuel and renewable generation in the south and north of England is equally true for transmission charging in Scotland?

Alasdair Allan: I recognise that, but I also recognise that the vast bulk of the renewable potential exists in Scotland and, as others have said, that the system creates a perverse disincentive at a UK level to invest in renewables technology.

Martin McAdam, chief executive of Edinburghbased marine energy company Aquamarine Power, said the charging structure "fundamentally makes no sense" if the UK Government wants to encourage renewable energy projects.

Scotland already makes the strongest contribution to our renewables output, accounting for 42 per cent of the UK's renewable electricity generation. Harvesting the country's renewable resources is essential if the UK is to hit its target of sourcing 15 per cent of its energy from renewables by 2020.

We really can choose our argument—environmental, economic or political—as they all tend in one direction, but perhaps, as ever, the most significant argument is one of fairness. It simply is not fair to penalise renewable energy the further north it is generated. The UK authorities would do well to consider at least the spirit of European directive 2001/77/EC, which states:

"Member States shall ensure that the charging of transmission and distribution fees does not discriminate against electricity from renewable energy sources, including in particular electricity from renewable energy sources produced in peripheral regions, such as island regions and regions of low population density."

Locational transmission charging harms jobs, does not help us to meet our environmental targets, penalises innovation and hampers

developments in the most fragile of our rural communities. There is little to be said for it.

The Scottish Government has already exerted some influence over the debate for the better—plans to extend locational pricing to charges for balancing the network have been dropped. However, the experience of transmission charging in the UK must lead us to the conclusion that, if there is an example out there somewhere of a reserved legislative power that is best exercised over Scotland from Westminster, it certainly is not on energy policy.

15:43

Patrick Harvie (Glasgow) (Green): First, I welcome the fact that the Scottish Government decided to introduce a debate on this topic. It has been current and bubbling away in political debate, but it has perhaps too often boiled down to a wee bit of posturing on both sides. The opportunity to debate the issue openly and in depth, with longer speeches than we are used to having in the chamber, is welcome and useful.

This is too important an issue to become a political football, even if for most people the price of their bills each month matters more than something that perhaps sounds a bit abstract—the electricity transmission charging regime. However, if we are going to get the energy system that we all need in the future, so that bills do not rise too much and so that we meet all our policy targets, we need to get the system right. As I said in my intervention on the minister, let us therefore try to strike the right tone. We must ensure that we maximise the chances of and political momentum for reform of the system. The phrase "defenders of the status quo", which was used earlier, was in sense a little too defensive confrontational.

There has been a general recognition—several members from across the parties have said it—that we have a system that was designed for an earlier age, one before climate change targets, before the increase in emphasis on renewable energy generation and before the political recognition of peak oil. Let us not forget that peak oil, with all its implications for not only fossil fuel prices—petrol prices and so on—but all energy prices over the coming decades, has received political recognition in public.

This should not be a matter for confrontation, because if we turn it into something confrontational we will fail to make the ambitious and challenging changes to our system that are required. We need some constructive reflection on all aspects of the future of our energy system. I support the Government motion, but we must look beyond the transmission charging regime in

isolation and ask wider questions about the whole system. We must ask about not only the proportion of renewables and what it does in economic and engineering terms but the balance between large and small generation within the system. Sarah Boyack usefully reminded us—not for the first time, by any means—of the importance of microgeneration and the opportunities that exist in that.

We must also ask questions about the development of the grid and the ownership structure of the energy system. We should not be afraid to ask questions about public, private and community ownership, and the social and economic benefits that could come from community ownership. We must also ask questions about the relative importance of different policy priorities: security of supply, carbon emissions and fuel poverty. We need an energy system that makes it more likely—we will never get a guarantee on the challenges over the next decades—that we will achieve our objectives.

Jim Mather said in his opening remarks—members will forgive me if I do not have the words exactly right, but I scribbled them down as quickly as I could—that significant steps had been made in the direction of a low-carbon renewable energy system for Scotland. That overstates a little bit how much progress has been made, although it would probably be understating it if I said that there had been just a few faltering baby steps. The truth is probably somewhere in between Jim Mather's overoptimistic and my overly pessimistic position, but the reality is that we have a great deal further to go than has even been considered. Fundamental questions have not yet been addressed.

We need to have an ownership structure and regulatory regime for the whole energy system that makes it more likely that we can achieve our renewable energy goals. It is not just about the transmission charging regime. Earlier, Lewis Macdonald and Rob Gibson debated whether energy demand was higher in Scotland due to the weather conditions and poor energy efficiency standards. It is hugely important to have that debate, but it is frustrating that, while we have it, we are still building inefficient, leaky, badly designed homes in Scotland. We are still building homes that will depend on the grid for all their energy for all their lifetime, because we are putting up buildings that simply will not take the kind of retrofit that we can achieve in others. Such buildings will produce none of their own energy. We need to make that a thing of the past. I hope that, in a few decades' time, that fact will be considered a bizarre relic of history. Let us build modern northern European homes and only modern northern European homes, because that is the kind of country that we are.

Rob Gibson: Would Patrick Harvie care to comment on the statement that Homes for Scotland made earlier this month:

"At a time when our industry has already reduced the carbon emissions of new homes by 60% from 1990 levels against the Scottish Government's overall reduction target of 80% by 2050, the big question is whether new home buyers are willing to incur premiums of up to £8000 for low carbon living or 'bolt-on renewables' which seem to offer little in the way of pay back"?

Patrick Harvie: I have been disappointed by Homes for Scotland's position on many such issues for quite some time. I understand why many people in the industry have fears about politicians making more challenging demands, but they need to be encouraged to see beyond those fears and to start to see the opportunities that exist. Sadly, the smaller house builders who are seeing those opportunities are not getting the recognition that they deserve, and the bigger-volume house builders are, I am afraid, still too focused on their fears.

Before I close, I want to say something about the CCS issues that are mentioned in the letter that we have all received and in the Liberal Democrat amendment. I remain very unclear about the connection that is made in those texts. I have never been against attempts to develop CCS as a transitional technology. If it works, it will have an important role to play, but there is no guarantee that it will work. The development work should be done and is being done, and it needs and is getting Government support. If the concern that has been expressed about CCS is really about the possibility that locational charging might get in the way of new coal capacity, all that I can say is, good, that might be the silver lining to the cloud that is the present system.

People are concerned about the aesthetic issues to do with energy infrastructure, as Gavin Brown mentioned. We are not talking about just pylons and wind turbines. The same issues apply with coal, nuclear and energy from waste. Energy infrastructure is controversial, but we must move away from a situation in which people can see only out of their own window and ask whether they want a particular development next to them or not. We must challenge communities to ask themselves where their—our—energy will come from and what they must do to make that a reality. Those are the questions that we need to address. It is a little too narrow to debate transmission charging on its own, even if I will support the Government's motion.

15:52

Maureen Watt (North East Scotland) (SNP): The issue of transmission charges is one of great importance for the future of the north-east and of Scotland as a whole, and I welcome the opportunity to speak on the topic.

Electricity producers in Aberdeenshire pay some of the highest transmission charges in Scotland. It is a disgrace that they have to pay almost £20 per kilowatt when producers in some parts of the south of England receive a subsidy of more than £6.50 per kilowatt. Even energy producers in the area of Scotland that has the lowest transmission charges still face paying more than those in the highest-charging parts of England and Wales.

There is no doubt that Scotland can and should become the renewables powerhouse of Europe by taking advantage of the abundance of renewable energy potential that exists across the country and, more significantly, in the waters off our coast, but, however laudable that aim, it will not be achieved automatically. Achieving it will require the right policies to be in place to encourage investment in the renewables industry and a level playing field for electricity producers. I welcome the briefing note from Scottish Power, which is extremely helpful in setting out the arguments in that regard.

The UK Government may talk about its climate change targets, but if it were serious about achieving them, it would not perpetuate a system of transmission charges that is based on proximity to London, where there is very little in the way of renewable energy potential. That bias makes no sense and puts current and future jobs in Scotland at risk.

As other members have said, it is not just renewable energy producers that pay the price of UK policy. As the minister mentioned, Peterhead power station in the north-east recently announced that the soaring transmission charges that it faces will force it to shut unit 2 of its power plant in 2011, unless those charges are changed. Up to 70 jobs at the plant have been put at risk as a direct result of the manifestly unfair transmission charging system. How can it possibly be right that Peterhead power station is charged £29 million a year for the privilege of sending electricity to people across the UK when an identical power station in the London area would be paid £3 million to do the same? Fortunately, following discussions with the chief executive of Scottish and Southern Energy, the MP for Banff and Buchan has received some assurances about the future of the Peterhead plant, but the urgency of the need for change cannot be overstated.

Yesterday, the combined voice of Scottish energy producers, business groups and trade unions called loudly and unequivocally for an end to locational transmission charging. At all levels, the SNP has consistently backed that position, but it is incumbent on other parties to come in behind us. I do not necessarily want to be

confrontational—as Patrick Harvie suggested—but, last month, Labour's Secretary of State for Scotland took the absurd position that connection charges are not a problem for Scottish generators. Why on earth does Jim Murphy think that he knows better than Scottish electricity generators, business groups and trade unions about the damaging effects of transmission charges?

Lewis Macdonald: What would the member say to consumers in Aberdeenshire who currently pay through their retailer tariffs that are something like a quarter of the transmission charges that consumers in the south-east of England pay? Does she recognise that the charging system is complex, so there are no simple solutions in the way that she suggests?

Maureen Watt: I recognise that the system is complicated, but it needs a root-and-branch review that only Westminster can provide. However, the Government's characteristic drift inattention to Scotland's needs are proving extremely damaging for our existing power plants and our renewable energy sector. In that sector, some 26,000 new jobs could be created in the next 10 years, but that will not happen with the barriers to Scottish electricity producers that Labour in Westminster has perpetuated. Future and existing jobs in Scotland are at stake, and the current wilful ignorance—or lack of willingness to do anything about the situation—is utterly inexcusable.

As Rob Gibson highlighted, most other European countries recognise the folly of a locational model of transmission charges. Such countries either do not charge generators for transmission costs or use a uniform postage stamp model, whereby the charge is the same regardless of where an electricity generator is located. That latter system is what we need and is what the Scottish Government has continuously pushed for.

Given that the Scottish generators produce around 12 per cent of the UK's electricity but are forced to pay 40 per cent of the transmission costs, something is clearly wrong. Scotland's generators simply cannot afford to keep on paying £100 million more than their fair share, year after year. That must be changed. It is incumbent on all the parties in this Parliament to urge change on that reserved matter as soon as possible.

15:58

Ms Wendy Alexander (Paisley North) (Lab): Colleagues, we may be few in the chamber—the press gallery is entirely empty—but today's debate illustrates the highly topical issue of the nuts-and-bolts working of a hung Parliament. In a Parliament such as ours, where no party has a

majority, the outcome of any debate is not controlled by any single party. Therefore, what a motion actually says—and what the amendments to the motion say—matter. The outcome of the vote is uncertain, so there is an obligation on politicians of all parties to reflect on what is the best position that Parliament collectively can adopt.

Today's debate is on what should characterise the future electricity transmission regime if we are to meet our wider low-carbon policy objectives. The minister's speech—as so often—offered a thoughtful and balanced contribution to the debate, but the SNP Government's motion is unduly narrow and does not deserve to command the support of the whole Parliament, or indeed of a majority in the chamber, at 5 o'clock.

Let me explain what I mean. The motion attempts to tackle a universally acknowledged difficulty in isolation from the wider context. Every single party here today has said that we need a review. That is accepted. The question is whether we are setting the right terms of debate for the future.

As I was thinking about this speech this morning, I read in one of our leading newspapers that the SNP's election manifesto is guilty of

"sins of commission and omission".

Indeed, the article went on to say the same about every other party. The risk in this debate is that we will commit sins of omission and commission by looking at one issue in isolation.

As Patrick Harvie said, a low-carbon world needs a different sort of grid. Should it be larger or smarter? Should we reinforce it more in the north, and to what extent should we reinforce it in the south? How do we balance the need for offshore grids with the onshore grid? Who pays? What should be the balance between the contributions that the consumer and the generator make? In terms of networks for electricity generation in this country, we are facing a challenge that we have not faced for more than a century. To try to reduce that challenge to locational charges that are paid by generators risks leaving us in the position of saying that the whole burden should fall on the consumer.

I say to members by word of warning that, a couple of years ago, when we were faced with the other greatest economic challenge of the last century—the financial crisis—the Parliament allowed itself to commit a number of sins of omission and commission by reducing that debate to discussion of spivs and speculators and one takeover. How misguided that looks in retrospect. When it comes to Scotland's other great industry of energy, let us not make the same mistake today by backing the wrong amendment.

The SNP Government motion fails to identify the wider context. Yes, it rightly calls for a new approach to transmission charges, but it has nothing to say about the principles that are needed to underpin that new approach. If we are to move forward, we cannot just work with, as the motion says

"industry, utilities, academia and environmentalist and business organisations".

Let us think about that list again:

"industry, utilities, academia and environmentalist and business organisations".

We do not have to look far to spot the logical flaw in the motion. It does not mention the UK Government, DECC, Ofgem or National Grid. We need to work this out on a UK-wide basis, while holding to our position that change is necessary. If the Scottish Government wants to address the issue, let it back the amendments that attempt to set out the wider objectives that we need to have. The amendments move us closer to what the industry wants, what consumers need and what a low-carbon future demands. The Labour amendment calls for that wider review.

Jim Mather: Will the member concede that we are engaged with DECC and the UK Government, and that that will continue? Will she also concede that the end product of our briefing session that brought together Ofgem, National Grid, energy companies, renewables and academia was that we would engage further with DECC and the UK Government?

Ms Alexander: I am aware that discussions are under way, but the problem with the motion is that the terms of reference that it sets are wrong; they are simply too narrow. It does not say that we need to uphold an integrated approach with cross-subsidy across the UK, it does not say that we need to expand the network significantly to meet the changing geography of generation, and it does not explicitly say that we need to balance the interests of consumers and generators so that both make a fair contribution to the future. Ideally, it would also be a good thing if we preserved the net subsidy to Scotland.

I ask the Scottish Government to consider supporting the Labour amendment, because it goes further than the Government's motion, which is restricted to locational charging. Members should be in no doubt that we are committed to change. To their credit, the Scottish Conservatives have lodged an amendment in the same spirit. The Liberal Democrat amendment brings something to the debate, because it makes a vital point about the impact of locational charges on CCS, although it misses the wider sweep that we need to preserve.

We need a new approach. We have a hung—or balanced—Parliament, so there is a choice for the parties at 5 pm. We either continue to commit sins of omission by cherry picking the bits of the debate that suit us and missing the bigger picture of the need for fundamental reform to achieve a lowcarbon future, or we learn from the mistakes that we made when we were faced with the financial crisis two years ago and say, "Here are the terms of reference for a wider and bigger debate for the new UK Government-whosoever it is-and us to take forward in partnership." That is the way to signal to everyone in Scotland some of the manifest advantages of having a balanced Parliament. There are many disadvantages, too, but that is a debate for another day.

16:06

Christopher Harvie (Mid Scotland and Fife) (SNP): Wendy Alexander made a thoughtful contribution to the debate, from which I found myself parting only towards the end, when she was talking about the wider picture. Patrick Harvie talked about the obvious wider picture in relation to the oncoming scenario of peak oil, but Wendy Alexander confronted us with the possibility of having to work on speaking terms with Ofgem. I remember when Ofgem delivered pyrotechnic examples of the higher mathematics of more perfect markets to the Economy, Energy and Tourism Committee and had us all glazing over with incomprehension.

I was also reminded of some other bureaucrats whom the Economy, Energy and Tourism Committee met when we went to Denmark and visited research and governmental offices, where people were pioneering an impressive system that involved combined heat and power units, refuseburning power stations and the like. I noticed that we always had meetings on the third floor of whatever office it was. Lean, athletic 60-year olds-as opposed to us plump, tumshie-like 60year olds-called Bengt and Lars would go upstairs two steps at a time, while we pecht around behind them. The message got through that, as Patrick Harvie said, it is as much about our personal choices as it is about a long-term scenario. The Danish bureaucrats were hinting, probably none too subtly, that if we use Shanks's pony more, cycle more and run up steps instead of always using the lift-I am a leading offender in that regard over in the members' block-we will not only make ourselves healthier but solve some of our energy problems. I mention that by way of suggesting that we should be looking at narrow energy—to use an analogy from banking—as well as universal energy.

The new Langage power station, near Plymouth, is a modern, state-of-the-art, gas-fired

power station, but it appears to have no system of combined heat and power—at least, no such system has been mentioned in descriptions of the plant that I have read. On the continent, it is almost de rigueur to develop not large-scale but relatively small power stations that have combined heat and power units. That is one of the areas in relation to which we must go back to first principles when we are considering subsidising or extending generating capacity.

Instead, with Ofgem, we tend to go back to a sort of secret British Government and these market-preserving units that exist at a distance from us-by God, they did-and at a distance from parliamentary control at Westminster. Behind them lies the even greater weirdness of a great power station such as Drax-which members will pass on the railway line down to Londonshooting 66 per cent of its heat right up into the atmosphere. It is 34 per cent efficient; yet, the surrounding area pays less for its power per kilowatt hour than Dumfries and Galloway, the Presiding Officer's constituency, where a lot of the power comes from hydroelectric schemes that were built in the 1930s and have long paid off their commissioning costs. And still we see a commitment to the retention of a locational transmission charge—despite opposition in the Scottish Parliament and in the Westminster Parliament and the requirement for new thought on the matter.

At the same time, the new kids on the block who are entering the renewables market come from a situation that resembles the old national grid—they are often state concerns from Denmark or Sweden, such as Dong Energy and Vattenfall. It may be that the market is being manipulated to bring about international power—in other words, to bring wealth to powerful companies that are no longer narrow electricity infrastructure companies but would be big beasts in the international speculative arena. Let us take a closer look at the national grid, for instance, It was the result of a great recommendation by the Scottish administrator Lord Haldane and was built between 1926 and 1938 by Sir William Weir-one of the great organisers in munitions in the first world war and a Conservative-effectively as a statecontrolled national utility. Yet, since 1990, as a plc, it has become an international speculative concern that has sunk several billion pounds into the sort of ventures in the United States that do not, when one sees them cited in the newspapers, convey much in the way of security. It seems to be getting its operational speed up from lending money to the likes of Homer Simpson. The man who sanctioned it all when he was the head of Ofgem was Sir Callum McCarthy, Mr Light-touch himself.

Rather than view the operations of organisations such as National Grid as accounting for the further

extension of international speculation, we should look at what the national grid originally stood for. It was not a tool for investment bankers; it was a tool for more Bengts, Larses and professional energy scientists and consultants to get a type of central regime for not just British but—probably, in the future—European systems of power exchange that would preserve us from the likely consequences when the \$300 barrel of oil hit us, as it will in the next 20 years.

16:14

Liam McArthur: As Wendy Alexander pointed out, we have been few in number this afternoon. We are even fewer in number now than we were when we started. She expressed surprise that the press gallery was empty, but that came as little surprise to many of us who have been involved in such debates before. However, I was surprised when she came close to a staunch defence of a hung or balanced Parliament, although she almost rectified that at the end of her speech, and at the apparent implication that motions lodged by a UK Government—Labour or Tory—over previous decades did not really do what they said on the tin. Nevertheless, hers was a considered speech, as Chris Harvie suggested, warning us against the sins of omission or commission. She made the case well, as one would expect.

In defence of the approach that my party and I are taking in this debate, during which we have supported the Government's motion, I must say that the motion sets out clearly what we can do, with the Parliament, Government and stakeholders that we have, to develop the case. However, as the minister made clear earlier, we must not overlook the fact that the discussion will have to take place with Ofgem, the UK Government and others. Indeed, that has been happening.

Today's debate has been useful. It has ranged rather broadly. It started off with some optimistic remarks from the minister about some of the changes that have been made and the limitations and problems of the current charging regime, which are accepted to a greater or lesser extent across the chamber.

Lewis Macdonald focused on setting out the background to the current regime, but he helpfully put that in the context of the benefits that we receive from having an integrated system across the UK. He was also right to point out, as others have, the complex nature of the energy market. None of us doubts the challenges ahead of us. It is one thing to say that something needs to be done; it is another question entirely to gain agreement about what that something ought to be.

I thought that Lewis Macdonald's reference to the union dividend was a symptom of the election mode that we are all in, and was used to bait some of the SNP members. Indeed, it perhaps achieved its objective, as it goaded Dave Thompson into committing a future SNP Government to supporting a UK trading system ad infinitum. However, Lewis Macdonald's remark about the power companies hiding behind the skirts of renewables was, perhaps, a use of provocative language too far.

Gavin Brown set out the historical context to the regime and pointed out that the changing challenges and public policy objectives have thrown into question the suitability of the regime and he referred to the fact that climate change imperatives were barely a twinkle in the eye of those who were responsible for putting it in place.

Mr Brown also highlighted the tendency for the debate around these issues to be portrayed in black-and-white terms. He, like I, absolved the minister of that, but I think that one or two of the minister's colleagues fell into that trap. This is clearly not a debate about Scotland versus England. We do the goal that we seek to achieve a disservice by portraying it as such. I certainly do not think that that is a view to which Nick Horler or, indeed, Ian Marchant would subscribe.

Rob Gibson: Is Mr McArthur going to address the question of EU directive 2001/77/EC, on the promotion of fair transmission charging, and recognise that the issue is not simply a Scotland-England matter but an all-Europe one?

Liam McArthur: I do not want to spoil the surprise for Rob Gibson, but I was indeed going to touch on that matter.

Evidence that was received by the Economy, Energy and Tourism Committee pointed out that achieving consensus on an alternative regime will be difficult. Gavin Brown was right to say that we should not prejudge the issue, but politicians and the Government need to be clear about their expectations. Iain Smith referred to the need to reduce emissions and minimise transmission losses but, whatever the expectations are, we need to be clear about them, or the review will be unfocused and will not deliver what we want it to.

Rob Gibson talked about discrimination against renewables generation and about areas of low population density. He accepted, fairly pragmatically, that location could and should be an aspect of a future charging regime, but should not be the sole basis of the charge. That point was reinforced by lain Smith.

As Alasdair Allan said, the spirit of the European directive seems to be clear. However, given that the case that has been brought in relation to the charging regime has been found to be without foundation, it is difficult to know where the directive takes us.

lain Smith set out the shortcomings of the current regime and the rationale behind the location of a range of energy generation types. He bemoaned the situation and noted that we would not have started from here—a point echoed by Gavin Brown. That is true. Although it may not help us to retrofit the UK charging regime, to ensure that investment is made in the appropriate fashion to meet future rather than historical needs, it should inform the way in which we engage with the debate on a wider European grid and charging regime.

It was clear that Alasdair Allan had read much of the same briefing that I had read. He has ensured that Martin McAdam will win the award for the most quoted authority in the debate. Given that, like me, the member has a background in the islands, that was to be expected.

Patrick Harvie noted the welcome, lengthier speeches that all members have been able to make this afternoon. At the same time, I noted that a group in the gallery nodded furiously before standing up and promptly leaving. The member encouraged us to look at the issue in a broader sense, including such vexed matters as the structure of ownership. That was a welcome contribution. The question of large versus smallscale generation was rather overlooked in my remarks and those of others. There is probably more support in the chamber than we might imagine for a more decentralised approach to energy generation, through microgeneration, community-based projects and so on. In communities such as mine, that approach gives back a sense of self-sufficiency and allows communities to capture the benefits that arise from it. The member's points were well made.

Patrick Harvie: I thank Liam McArthur for his comments. Will he go further and agree that there is room for a debate on the role not just of community ownership but of public ownership, and on whether the requirement for transformation in the energy system places greater value on the role that the public sector can play in achieving that?

Liam McArthur: I would probably tread rather carefully in that area. However, as a result of what has happened in the past 18 months, we have probably come to view the prospect of nationalising large swathes of our financial services sector slightly differently from how we would have viewed it if we had been asked about it three years ago. The issue that Patrick Harvie raises is a legitimate part of the debate that must take place.

I have no clue how long I will be allowed to continue speaking, so I will wind up my remarks. I welcome the debate that we have had this afternoon and express gratitude for the support that our amendment has attracted. I re-emphasise

that later this afternoon we will support the Government motion, with our amendment.

16:23

Alex Johnstone (North East Scotland) (Con): In recent weeks and months-it seems like years—I have spent much of my time talking to people on their doorsteps. One of the most peculiar reactions that I get from them is, "You politicians do nothing but argue and are always looking for a fight." It is a pity that there is not better coverage of this type of debate, because today we are progressing an argument and finding consensus where, perhaps, none previously. I will go on to explain why I think that Jim Mather's motion is slightly too black and white for my taste, but this is an example of a debate in which those of us who have turned up to participate have found common ground. We will continue to do so in the future.

We are dealing primarily with the British electricity trade and transmission arrangements, which introduced the notion of locational charging. I want to ensure that members understand Gavin Brown's point that the system was put in place in another era and for another purpose. Although it may have been relevant and appropriate at that time, things move on. We politicians must also be prepared to do that.

The speech with which Jim Mather introduced his motion was rather more conciliatory than some of the words in the motion may have appeared. The way in which he presented the motion made it broad, open and easy to understand. He showed that Scotland has massive potential in renewable energy and that it appears that the current locational charging system is discouraging investment in large areas of Scotland.

We want to reform the energy market, just as the minister does, but it worries me sometimes that we miss the point that the system that we put in place should be designed to make it easier for us to sell our electricity in the UK market. There is a certain irony in the position of the minister's party, which appears to wish to separate Scotland off. It cannot go without comment that when we talk about single markets, we should talk about ways in which we can bring our countries closer together, rather than driving wedges between them.

Rob Gibson: We talk about single markets, and there is a wider single market in Europe. The directive on fair transmission charging that I mentioned in an earlier intervention ought to work right across the continent. Does the member's party agree?

Alex Johnstone: I was going to come to that point, but in case I forget about it while I deal with

other issues, I will address Mr Gibson's remarks now. His position is that the European directive should be observed. It has been argued by other speakers today that perhaps things are not as black and white as he suggested. I suggest that we do not need the European directive. Instead, we need to work towards a situation in which we, as a partner in the British Isles and the United Kingdom, can come to a suitable arrangement in a suitably short time that will find us the solution to the problem.

If Rob Gibson is genuinely concerned that we need to change the attitudes of parties that might form the next Government—he challenged us directly as members of those parties on what our position would be—I can tell him that, should I be lucky enough to become a member of the House of Commons, I will take the opportunity to argue the case for much of what he mentioned today, but perhaps in a slightly less inflexible manner than is presented in the motion.

Lewis Macdonald made one of the more profound speeches in the debate. Like many other members, he did not seek to defend the old charging regime that we all believe is no longer fit for purpose, although, importantly, he pointed out that it has not only negatives but pluses. That is the irony—perhaps the imbalance—in the Government's motion, in which there is an implicit assumption that the current regime is all bad as well as a failure to understand that it contains positive elements that are beneficial to people in certain areas of Scotland.

Jim Mather: Given that we have a system that offers a level playing field to consumers, is it unreasonable to ask for a level playing field to benefit the generators?

Alex Johnstone: That is not unreasonable, but it is reasonable for us to see both the positives and the negatives of the scheme. We must take the opportunity to ensure that, when the review happens, it is broad and open and allows us to reach the most appropriate position to further the aims of Scottish consumers and those who wish to become part of the renewable energy market—and the broader energy market, which is also affected by the charging regime in Scotland, as we have heard.

I am particularly concerned about the impact on the gas-fired power station at Peterhead, which we heard about from Maureen Watt and Lewis Macdonald. The future of that power station is essential to the Scottish economy and that of the north-east. I am concerned to hear that the transmission charging system has begun to impact on the potential future of that vital local plant. In fact, the plant is an integral part of the oil and gas industry, because we use some of its by-products, such as the distillate that is removed from the gas

supply before it is pumped to the rest of the country. Consequently, it has an economic impact beyond that of a simple power station, and its importance should not be underestimated.

As Lewis Macdonald said, we must realise that the current arrangements have been significantly beneficial to a significant number of people in the north of Scotland, and we must ensure that we protect those people.

We will fully support Liam McArthur's amendment. His speech was thoughtful and considered, as usual. Iain Smith made the next speech but one, and I hoped that that would give me a great opportunity. I thought that, if Iain Smith gave the kind of speech that he usually gives in this arena—an aggressive and party-politics-inspired discussion of the points that have been made—I would be able to accuse both members of again doing their soft cop, hard cop routine and of being the Starsky and Hutch of the Liberal Democrat front bench. Perhaps I will have that opportunity another day because, unfortunately, Iain Smith made an equally conciliatory and well-thought-out speech.

Patrick Harvie made another considered and thought-provoking speech. Of course, as a member of the Green party, he always comes to these debates with a very different perspective. As is often the case, I understood what he said, but today perhaps he tried to extend into other areas of the debate, whereas many members tried to concentrate on the key issues.

It is true that energy infrastructure is a controversial issue, and I was glad to hear Patrick Harvie say that. There is a problem in Scotland. No matter what we say about the charging regime and how we apply that to the construction of grid extensions and alternative grids in future, the notin-my-backyard attitude that we continue to see in many places in Scotland is holding the industry back. I freely admit that I am as guilty as any member of supporting people who object to specific developments. However, as we progress, we must ensure that, where grid development is the priority, we do not make the mistake of constructing grids simply to support proposals that have been approved. We must realise that the priority for renewable energy will move north towards the Pentland Firth and the northern isles. and offshore on the east coast. Simply building or extending grid to suit developments that have been approved, many of which are onshore, is not necessarily the way to get the best value for money in future. It is important to take that into account as we talk about the process of developing grid.

Patrick Harvie: Does the member agree that, although there is substance in what he says, saying that a particular project is insufficient is not

the same as saying that it is unnecessary? It may well be that projects have been taken forward that are not in themselves sufficient but which are still necessary.

Alex Johnstone: To close the point, I have a long-standing concern that much of the onshore development that has happened or has been approved but has not yet been constructed has come about as a result of the local authority being either more willing or less willing to participate in the planning process. As a consequence, I am worried that we have distortions in the system. I do not want onshore wind farms to be constructed in Scotland simply for them to be removed within 20 years because they have been superseded by more efficient, environmentally friendly systems. That is why, in developing the grid, I want people to accept that there will be change and that some onshore stations will be relatively short term.

During the debate, I heard Homer Simpson mentioned in the chamber for the first time. Unfortunately, Christopher Harvie has left. I often enjoy his speeches, and his introduction of the concept of lending money to Homer Simpson was unique. I congratulate him on bringing that new concept to a debate in the Scottish Parliament.

16:34

Lewis Macdonald: The debate has highlighted areas of agreement and of difference. Importantly, we all agree that it is right to review the way in which network costs are met as electricity networks are expanded to meet increasing demand and to tap into new sources of power. All network costs are ultimately met by the consumer. At present, English consumers in the southern parts of Britain pay substantially more than those in the north pay through charges that are applied to electricity supply, but they pay significantly less than Scottish consumers pay through charges that are applied to transmission. It is right to ask whether that system of cross-subsidies and benefits is the most appropriate for the future.

We want more renewable energy on the grid, but most of us recognise that intermittent renewable sources must be balanced with new forms of generation that can ensure reliability of supply after the existing fossil fuel and nuclear power stations come to the end of their operating lives. Everyone can sign up to the benefits of a balanced, diverse and sustainable energy mix that is low carbon and helps to meet the challenge of climate change. However, a balanced and diverse energy mix means different things to different people. It is noteworthy that ministers today proclaim the virtues of energy diversity, although they rule out new nuclear power stations and have put all their eggs in the basket of carbon capture,

as with the proposed new coal-fired power station at Hunterston.

At Longannet a few weeks ago, I saw for myself the potential that certainly exists for Scotland to lead the way on carbon capture and storage. We can take advantage of the skills and expertise of companies such as Shell in carbon storage and National Grid in carbon transport, as well as the skills and expertise of the specialist carbon capture companies and Scottish Power. However, I also saw that there is still a long way to go before carbon capture and storage can be delivered commercially at scale without using up a huge amount of fuel simply in capturing the carbon. Most of us want carbon capture to work and believe that it can, but we recognise that it needs time and the opportunity to prove itself.

One objective of reviewing our electricity trading and transmission arrangements must be to ensure that the regulatory framework is the right one to enable carbon capture to prove itself at an existing fossil fuel power station such as Longannet. If Scottish Power takes the view that proving the new technology requires a different charging regime to ensure that conventional generation in Scotland can continue, we must take its views seriously. Scottish Power's concerns and those of business, trade unions and other electricity producers, which we have heard about today, add strength to the case for a wider review.

Rob Gibson: It is currently far cheaper to import electricity from France to England than it is to export it from Scotland to England. Does that mean that we ought to extend the review into a European context, rather than just think that the world is always getting BETTA?

Lewis Macdonald: I accept that the European context will have increasing significance, but a review of the way in which the charging regime operates in Great Britain—bearing in mind that we are talking about Great Britain and not the United Kingdom—does not require a wider European review, nor should it be put off pending a decision on a European review. In relation to other European matters that Rob Gibson raised, he will be aware that his interpretation of the European directive of several years ago has not been sustained by the European authorities in relation to the charging systems in Great Britain.

We should not prejudge the outcome of a review of the system, nor should we act recklessly in relation to the Scottish consumer interest. As has been said, because of Scotland's natural resources, there is fantastic potential to increase the proportion of renewable energy in the electricity mix. Maximising that potential requires action on a range of fronts. It is simply not the case that a change in transmission charges alone will solve all the problems that renewables face or

remove opposition to every good renewable energy scheme.

I said previously that planning consents and local opposition have provided much higher barriers for renewables to surmount than the level of transmission charges in Scotland. Jim Mather will know that he has rejected some 40 per cent of the potential renewable energy generation that has been brought to him for consent. He will have his reasons for that and I am sure that he would defend each and every one of them. In that context, however, it is no surprise that developers look to offshore wind as a new field for the development of wind power where they might not meet the same elements of resistance that they have met onshore.

Of course, offshore wind will need to be connected too, which will require early and positive decisions from those charged with consenting to development and those charged with securing grid connections. We look to the minister to deliver that in the short term.

Something like one third of renewables obligation certificates are taken up by developers with projects in Scotland, which represents hundreds of millions of pounds of public subsidy to the wind industry here. That is a good thing. It is important to bear that in mind when raising concerns about the one or two projects that we know have been abandoned, with transmission charging offered as one of the reasons for that.

It is true that the business case for new fossil fuel or nuclear power stations in Scotland will be affected by the new charging regimes as much as renewables will be. Those regimes have to be reviewed from that perspective, too. In my view, the idea that Scotland's future energy needs will be met by demand management and renewable generation alone is not realistic-certainly not in the short-to-medium term. Any hope that Scottish electricity exports or green electricity jobs can be achieved without reliable base-load generation is not founded on the energy industry's experience so far. The debate about what kind of base-load generation is required is for another day, but it is important that we take those arguments, as well as the arguments on renewables, into account.

When we consider the impact of the charging regime on places such as Peterhead or Longannet, it is important not to prejudge outcomes and to be clear about what we are trying to achieve. We should not insist on any particular solution before a review has been carried out, nor should we confuse means with ends. One means that has been promoted is a uniform transmission charge across Great Britain. That is clearly not the end that we have in mind; the end is to meet a range of public policy objectives. The two should not be confused.

Liam McArthur: I am very grateful to the member for taking an intervention. I accept the broad premise of what he is saying, but I presume he would also accept that, for the review to be meaningful and for it not to be diverted down highways and byways, certain principles—even if they are broad—would need to be set at the outset.

Lewis Macdonald: Certainly, the public policy context has to be clear to everyone. However, some important issues are not clear in the proposition that the Scottish Government has put forward today. In his opening speech, the minister said in response to a question from Gavin Brown that he was not ruling out any locational element in transmission charges, but the motion in his name appears to do precisely that. I hope that he will provide clarity on that in his closing speech. The issue is important, because a wide-ranging review may well conclude that locational, cost-reflective charging has a role, albeit a different or lesser one.

The issue of transmission losses cannot simply be wished away. Therefore, I hope that arrangements that take that into account and seek to reduce transmission losses will be part of what is considered going forward. In other words, if we can have arrangements that simultaneously encourage renewable generation and fewer transmission losses, that would be highly advantageous, although clearly difficult to achieve. That might require a system that in some respects ends up more complex. I noted lain Smith's point about that, but sometimes greater complexity is necessary if we are to achieve the whole range of public policy objectives that we want to achieve. What matters is not the detail of the charging mechanism but its ability to deliver against the broad range of public policy objectives.

As we heard this afternoon, one way to reduce transmission losses is to promote smart grids and decentralise both generation and consumption. The minister's response to Sarah Boyack did not suggest that that is on the Government's list of priorities, although it is on ours. Of course, I am happy for him to prove me wrong in his closing speech.

I hope that the minister will reflect on the fact that permitted development for micro wind and airsource heat pumps, and Government backing for district heating and combined heat and power, might well reduce the case for a locational element in transmission charges, because those developments would offer another way to address transmission losses.

Rob Gibson: According to Ofgem, average transmission losses are about 5.3 per cent. Does that issue loom as large in the debate as Lewis Macdonald makes out?

Lewis Macdonald: It certainly does. As Rob Gibson knows, and as Scottish and Southern Energy said in the quotation that I used in my opening speech, transmission losses from the north of Scotland are significantly greater than those from anywhere else in the country. That is why the issue is significant for the north as well as for the country as a whole.

Rob Gibson: I cite the Ofgem paper, which suggests an average loss of 5.3 per cent for 2008-09. The lowest percentage is 3.8 for Central Networks East and the highest is 7.8 for Scottish and Southern Energy hydro. Given that the range is narrow, Lewis Macdonald overblows the problem.

Lewis Macdonald: As I said, we are talking about £1.4 billion in transmission and tariff charges to pay for the network, so 5 per cent of such a sum and of the electricity that is transmitted throughout Great Britain is by no means a minor matter. That should be borne in mind.

The need to minimise fuel poverty is another key public policy objective that has been highlighted in the debate. I referred to the £100 million of consumer benefits in Scotland from current arrangements, which must not be lost. Whether that is described as a union dividend or simply as a positive outcome of the way in which BETTA is managed is not terribly material, but it is a significant reason why the outcome of a review should not be prejudged. That is why I—like Wendy Alexander—offer the Labour amendment as one that members can support without prejudging the outcome of a future review. I look forward to a review that safeguards the interests of both producers and consumers.

16:47

Jim Mather: It is clear that we all recognise that locational transmission charging needs to be addressed. I will answer Lewis Macdonald's point of a few moments ago. The clear view from members is that the locational charging status quo is not an option and that the current system is not fit for purpose and needs to evolve. The Government, the energy sector, the Economy, Energy and Tourism Committee, academia, the Scottish renewable energy sector and a wide range of business representatives and trade unions see that as the case. We will all continue to press for changes to the GB energy regulatory framework and electricity transmission charging regime to help to connect, transport and export Scotland's remarkable renewable energy potential. All the parties and the speakers this afternoon broadly support that.

It is on the record that the Scottish ministers are in discussions with Ofgem, National Grid, Scottish

generators and other key industry and civic interests to explore ways in which we can collectively move the transmission charging agenda forward. The session that we had back in January with the mediator John Sturrock identified that the next step in the continuing dialogue will be to engage DECC in the process. That session was useful and exceeded the expectations of all attendees. I expect that activity to develop and expand and to include a wider spectrum of interests, which relates to Wendy Alexander's point.

It is clear that scope is increasing for positive discussion to emerge, to achieve the balanced proposition. Overall, the speeches today have reflected that. The dialogue between Lewis Macdonald and Maureen Watt was interesting. We in the UK have achieved a level playing field for consumers, but a level playing field is also needed for generators in what will be an increasingly unified system throughout the UK and in Europe.

I was taken by Alex Johnstone's comment about the need for a broad and open review. As I develop my thinking on that, he will see that we are in line with that proposition. I was also taken by Iain Smith's comments, not only by his highlighting of the Cornwall anomaly—which is pretty poignant, and which we can all understand here in Scotland—but by his call for a charging regime that is aligned with national objectives and interests, which is very much what I was trying to develop in my opening statement. Given the choice here, I come down in favour of a simpler system with certainty rather than a complex system. That is clearly how I would like to see things going.

Rob Gibson's key point about recognising the imperative for energy generation to be near the source of the energy—near the geological amenity—is an important one, as is his long-term point that, in this era of unifying networks, we have to be at no competitive disadvantage to France.

Wendy Alexander made an interesting point about the narrowness of the motion. That is a charge to which most motions would have to plead guilty, given the space that is available. Patrick Harvie's call for constructive reflection and his chastisement of me early on in the debate were entirely seemly and got me on to the consensual ground that I want us to be on. Such constructive reflection will continue, and we will pay attention to his approach of looking at the complete picture when it comes to optimising energy generation and transmission and its efficient use. We will also pay attention to the point that Sarah Boyack made, and I think that the new feed-in tariff will increase the incentive for locally based generation. She has been pressing me for estimates of growth-she

did so last week at question time—and we will deliver that.

We are at an interesting phase. We have the basis for a general consensus, so I am keen to develop further options for change to the current charging regime and to put them out to wider consultation and engagement. The options for change currently include the possibility of a flatrate charge. The Scottish Government and Scottish generators have argued that a flat-rate charge regime, irrespective of where generators seek to connect, is the way to go. We still believe that there are strong and increasing arguments for that approach. In addition, there is the option of revising the existing balance between the socialised element and the locational element of locational charging in the context of the scale of the grid upgrade that is needed and the changing policy framework and priorities.

There is also the option of a banded approach to charging in order to reduce the scale of disparity between parts of the GB network. It is worth noting that, of all the areas in the EU that apply locational charging, the GB system contains the widest variation in charges. We should work to assess and address the possible impact of a banded approach to the current locational charges, with the aim of introducing smoother banding of charges and reducing the scale and extremity of the variances between the charges in parts of the GB network in order to level at least parts of the playing field.

Lewis Macdonald: When the minister talks about options and says that he favours a simpler approach, does he recognise that some aspects of the current arrangements protect Scottish consumers? What proposals does he have to ensure that that protection is maintained?

Jim Mather: As I have said, given that we have a level playing field for consumers in the UK, we do not want to throw that baby out with the bath water, but we want to have a more level playing field for our generators.

There is the option of removing the subsidy element of transmission charging, to apply a level playing field baseline for transmission charges, and capping the upper limit of positive charging. There is also the option of rezoning or revisiting the locational charging map to smooth the differential in the existing system and reflect changes since the introduction of locational charging. The factors that would be included in such an approach would include reinforcements to the grid, changes in the pattern of generation and centres of demand and the development of a more sophisticated approach to centres of demand management, with the aim of delivering a more differential transmission localised and less charging system.

On top of that, there is the option of an independent review of transmission charges—which I think everyone here agrees we should have and which was recommended by the Energy and Climate Change Committee in the House of Commons—that includes an assessment of the impact of locational charging on the relative competitiveness, productivity and marginality of renewables projects in Scotland compared with other parts of the GB system.

In reaching that point, I welcome the input and views of members in today's debate. I have taken copious notes, and we will look at the *Official Report* in order to shape an options paper that will build on the options that I have just mentioned. We will publish that paper shortly.

We have clearly identified that we need a review. That was reinforced earlier this week in the open letter from energy, business and trade union sources, in which there is a clear call for a review based on the avoidance of extra costs, the need to capitalise on geology and geography to lead carbon capture and storage development in Scotland, the issue of security of supply, and the economic and employment possibilities.

The implicit issue is that we are now very much open to other options and the interests of all parties being tabled. That is important. I stated at the outset what I believe are our interests at the national level, and I am looking to others to help me to augment that.

Alex Johnstone: If the minister envisages a future in which a much higher proportion of the United Kingdom's electricity is generated in the north of Scotland and consumed in the south of England, who does he believe ought to pay for the grid reinforcement and construction necessary to achieve that? Should the consumer have a role, and which consumers does he believe should pay?

Jim Mather: The short answer is everyone—we are looking for everyone to be involved. We have a level playing field for consumers, but we do not have a level playing field for generators, and it is not beyond the wit of man to come up with a proper solution.

In essence, we are saying that, if all parties table their interests and all options are tabled, we can then look at whether hybrid options might come forward as a result of what is proposed. We can then sit down to identify objectively the data that should be applied—the evidence from here and elsewhere and the benchmarking that we can draw on—and we can then make a proper objective assessment as to the ability of each option to address the interests of all parties. If we do that, we will move things forward dramatically. That is a reasonable proposition and expectation.

We had a really good start to the process at the session with John Sturrock in Glasgow. It perhaps surprised some of the attendees that people did not just take polarised positions and defend them; instead, we got an assessment of the interests that people have and where the options lie. With that approach, and crucially with our on-going engagement with the UK Government, Ofgem, National Grid, the energy sector interests, business, academia, trade unions, consumers and others, we have—

The Presiding Officer: Order. There is too much background noise.

Jim Mather: We have the mechanisms in place to develop and deliver a better and more equitable transmission charging regime, delivering better outcomes for Scotland, the rest of the UK and Europe.

Business Motions

16:58

The Presiding Officer (Alex Fergusson): A revised version of section A of today's *Business Bulletin* is now available at the back of the chamber. The revised version includes a business motion to revise business for tomorrow afternoon.

We move to consideration of business motion S3M-6178, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a revised business programme for Thursday 22 April.

The Minister for Parliamentary Business (Bruce Crawford): I inform the Parliament that I consulted business managers yesterday evening on the option of scheduling a further ministerial statement on the volcanic ash cloud situation to update the Parliament on the most recent developments. The Parliamentary Bureau has, therefore, proposed to schedule a 15-minute statement followed by 30 minutes of questions on Thursday afternoon. That will result in the debate on progress towards 18 week referral to treatment having to be rescheduled to a later date. That is the purpose of the revised business motion.

I move,

That the Parliament agrees the following revision to the programme of business for Thursday 22 April 2010—

delete

2.55 pm Stage 3 Proceedings: Control of Dogs

(Scotland) Bill

followed by Scottish Government Debate: Progress

Towards 18 Week Referral to Treatment

and insert

2.55 pm Stage 3 Proceedings: Control of Dogs

(Scotland) Bill

followed by Ministerial Statement: Volcanic Ash

Cloud

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S3M-6171, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees—

(a) the following programme of business-

Wednesday 28 April 2010

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Stage 3 Proceedings: Interpretation and

Legislative Reform (Scotland) Bill

followed by Stage 1 Debate: Legal Services

(Scotland) Bill

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time followed by Members' Business

Thursday 29 April 2010

9.15 am Parliamentary Bureau Motionsfollowed by Scottish Green Party Business

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time

Health and Wellbeing

2.55 pm Scottish Government Debate: Changing

Lives: A Confident, Competent Social

Care Workforce

followed by Parliamentary Bureau Motions

5.00 pm Decision Time followed by Members' Business

Wednesday 5 May 2010

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Members' Business2.50 pm General Question Time

3.10 pm First Minister's Question Time

3.40 pm Themed Question Time

Rural Affairs and the Environment;

Justice and Law Officers

followed by Business Motion

followed by Parliamentary Bureau Motions

4.20 pm Decision Time

and (b) that Rule 5.6.1(c) of Standing Orders be suspended for the purpose of Members' Business on Wednesday 5 May 2010.—[*Bruce Crawford*.]

Motion agreed to.

Decision Time

17:00

The Presiding Officer (Alex Fergusson): There are four questions to be put as a result of today's business. In relation to the debate on transmission charging, I remind members that, if the amendment in the name of Lewis Macdonald is agreed to, the amendment in the name of Gavin Brown will fall.

The first question is, that amendment S3M-6169.2, in the name of Lewis Macdonald, which seeks to amend motion S3M-6169, in the name of Jim Mather, on transmission charging, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Alexander, Ms Wendy (Paisley North) (Lab)

Baillie, Jackie (Dumbarton) (Lab)

Butler, Bill (Glasgow Anniesland) (Lab)

Chisholm, Malcolm (Edinburgh North and Leith) (Lab)

Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)

Eadie, Helen (Dunfermline East) (Lab) Ferguson, Patricia (Glasgow Maryhill) (Lab)

Foulkes, George (Lothians) (Lab) Gillon, Karen (Clydesdale) (Lab)

Godman, Trish (West Renfrewshire) (Lab)
Gordon, Charlie (Glasgow Cathcart) (Lab)
Grant, Rhoda (Highlands and Islands) (Lab)

Gray, Iain (East Lothian) (Lab) Henry, Hugh (Paisley South) (Lab)

Kelly, James (Glasgow Rutherglen) (Lab) Kerr, Andy (East Kilbride) (Lab)

Livingstone, Marilyn (Kirkcaldy) (Lab)

Macdonald, Lewis (Aberdeen Central) (Lab) Macintosh, Ken (Eastwood) (Lab) Martin, Paul (Glasgow Springburn) (Lab)

McCabe, Tom (Hamilton South) (Lab)

McMahon, Michael (Hamilton North and Bellshill) (Lab)

McNeil, Duncan (Greenock and Inverclyde) (Lab)

McNeill, Pauline (Glasgow Kelvin) (Lab)

McNulty, Des (Clydebank and Milngavie) (Lab)

Mulligan, Mary (Linlithgow) (Lab)

Murray, Elaine (Dumfries) (Lab)

Oldfather, Irene (Cunninghame South) (Lab)

Peacock, Peter (Highlands and Islands) (Lab)

Peattie, Cathy (Falkirk East) (Lab)

Simpson, Dr Richard (Mid Scotland and Fife) (Lab) Smith, Elaine (Coatbridge and Chryston) (Lab) Stewart, David (Highlands and Islands) (Lab) Whitefield, Karen (Airdrie and Shotts) (Lab)

Whitton, David (Strathkelvin and Bearsden) (Lab)

Against

Adam, Brian (Aberdeen North) (SNP)
Aitken, Bill (Glasgow) (Con)
Allan, Alasdair (Western Isles) (SNP)
Brocklebank, Ted (Mid Scotland and Fife) (Con)
Brown, Gavin (Lothians) (Con)
Brown, Keith (Ochil) (SNP)

25527 Brownlee, Derek (South of Scotland) (Con) Campbell, Aileen (South of Scotland) (SNP) Carlaw, Jackson (West of Scotland) (Con) Coffey, Willie (Kilmarnock and Loudoun) (SNP) Constance, Angela (Livingston) (SNP) Crawford, Bruce (Stirling) (SNP) Cunningham, Roseanna (Perth) (SNP) Don, Nigel (North East Scotland) (SNP) Doris, Bob (Glasgow) (SNP) Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP) Fabiani, Linda (Central Scotland) (SNP) Finnie, Ross (West of Scotland) (LD) FitzPatrick, Joe (Dundee West) (SNP) Fraser, Murdo (Mid Scotland and Fife) (Con) Gibson, Kenneth (Cunninghame North) (SNP) Gibson, Rob (Highlands and Islands) (SNP) Goldie, Annabel (West of Scotland) (Con) Grahame, Christine (South of Scotland) (SNP) Harvie, Christopher (Mid Scotland and Fife) (SNP) Hepburn, Jamie (Central Scotland) (SNP) Hume, Jim (South of Scotland) (LD) Hyslop, Fiona (Lothians) (SNP) Ingram, Adam (South of Scotland) (SNP) Johnstone, Alex (North East Scotland) (Con) Kidd, Bill (Glasgow) (SNP) Lamont, John (Roxburgh and Berwickshire) (Con) Lochhead, Richard (Moray) (SNP) MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP) Marwick, Tricia (Central Fife) (SNP) Mather, Jim (Argyll and Bute) (SNP) Matheson, Michael (Falkirk West) (SNP) Maxwell, Stewart (West of Scotland) (SNP) McArthur, Liam (Orkney) (LD) McGrigor, Jamie (Highlands and Islands) (Con) McInnes, Alison (North East Scotland) (LD) McKee, Ian (Lothians) (SNP) McKelvie, Christina (Central Scotland) (SNP) McLaughlin, Anne (Glasgow) (SNP) McLetchie, David (Edinburgh Pentlands) (Con) McMillan, Stuart (West of Scotland) (SNP) Milne, Nanette (North East Scotland) (Con) Mitchell, Margaret (Central Scotland) (Con) Morgan, Alasdair (South of Scotland) (SNP) Neil, Alex (Central Scotland) (SNP) O'Donnell, Hugh (Central Scotland) (LD) Paterson, Gil (West of Scotland) (SNP) Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) Rumbles, Mike (West Aberdeenshire and Kincardine) Russell, Michael (South of Scotland) (SNP) Salmond, Alex (Gordon) (SNP) Scanlon, Mary (Highlands and Islands) (Con)

Scott, John (Ayr) (Con)

Scott, Tavish (Shetland) (LD)

Smith, Elizabeth (Mid Scotland and Fife) (Con)

Smith, Iain (North East Fife) (LD)

Somerville, Shirley-Anne (Lothians) (SNP)

Stevenson, Stewart (Banff and Buchan) (SNP)

Sturgeon, Nicola (Glasgow Govan) (SNP) Swinney, John (North Tayside) (SNP)

Thompson, Dave (Highlands and Islands) (SNP)

Watt, Maureen (North East Scotland) (SNP)

Welsh, Andrew (Angus) (SNP) White, Sandra (Glasgow) (SNP) Wilson, Bill (West of Scotland) (SNP) Wilson, John (Central Scotland) (SNP)

Abstentions

Harper, Robin (Lothians) (Green) Harvie, Patrick (Glasgow) (Green)

The Presiding Officer: The result of the division is: For 35, Against 71, Abstentions 2.

Amendment disagreed to.

The Presiding Officer: The question is, that amendment S3M-6169.1, in the name of Gavin Brown, which seeks to amend motion S3M-6169, in the name of Jim Mather, on transmission charging, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

Aitken, Bill (Glasgow) (Con) Alexander, Ms Wendy (Paisley North) (Lab) Baillie, Jackie (Dumbarton) (Lab) Boyack, Sarah (Edinburgh Central) (Lab) Brocklebank, Ted (Mid Scotland and Fife) (Con) Brown, Gavin (Lothians) (Con) Brownlee, Derek (South of Scotland) (Con) Butler, Bill (Glasgow Anniesland) (Lab) Carlaw, Jackson (West of Scotland) (Con) Chisholm, Malcolm (Edinburgh North and Leith) (Lab) Craigie, Cathie (Cumbernauld and Kilsyth) (Lab) Eadie, Helen (Dunfermline East) (Lab) Ferguson, Patricia (Glasgow Maryhill) (Lab) Foulkes, George (Lothians) (Lab) Fraser, Murdo (Mid Scotland and Fife) (Con) Gillon, Karen (Clydesdale) (Lab) Godman, Trish (West Renfrewshire) (Lab) Goldie, Annabel (West of Scotland) (Con) Gordon, Charlie (Glasgow Cathcart) (Lab) Grant, Rhoda (Highlands and Islands) (Lab) Gray, Iain (East Lothian) (Lab) Henry, Hugh (Paisley South) (Lab) Johnstone, Alex (North East Scotland) (Con) Kelly, James (Glasgow Rutherglen) (Lab) Kerr, Andy (East Kilbride) (Lab) Lamont, John (Roxburgh and Berwickshire) (Con) Livingstone, Marilyn (Kirkcaldy) (Lab) Macdonald, Lewis (Aberdeen Central) (Lab) Macintosh, Ken (Eastwood) (Lab) Martin, Paul (Glasgow Springburn) (Lab) McCabe, Tom (Hamilton South) (Lab) McGrigor, Jamie (Highlands and Islands) (Con) McLetchie, David (Edinburgh Pentlands) (Con) McMahon, Michael (Hamilton North and Bellshill) (Lab) McNeil, Duncan (Greenock and Inverclyde) (Lab) McNeill, Pauline (Glasgow Kelvin) (Lab) McNulty, Des (Clydebank and Milngavie) (Lab) Milne, Nanette (North East Scotland) (Con) Mitchell, Margaret (Central Scotland) (Con) Mulligan, Mary (Linlithgow) (Lab) Murray, Elaine (Dumfries) (Lab) Oldfather, Irene (Cunninghame South) (Lab) Peacock, Peter (Highlands and Islands) (Lab) Peattie, Cathy (Falkirk East) (Lab) Scanlon, Mary (Highlands and Islands) (Con) Scott, John (Ayr) (Con) Simpson, Dr Richard (Mid Scotland and Fife) (Lab)

Smith, Elaine (Coatbridge and Chryston) (Lab) Smith, Elizabeth (Mid Scotland and Fife) (Con) Stewart, David (Highlands and Islands) (Lab) Whitefield, Karen (Airdrie and Shotts) (Lab) Whitton, David (Strathkelvin and Bearsden) (Lab)

Against

Adam, Brian (Aberdeen North) (SNP) Allan, Alasdair (Western Isles) (SNP) Brown, Keith (Ochil) (SNP)

Campbell, Aileen (South of Scotland) (SNP)

Coffey, Willie (Kilmarnock and Loudoun) (SNP)

Constance, Angela (Livingston) (SNP)

Crawford, Bruce (Stirling) (SNP)

Cunningham, Roseanna (Perth) (SNP)

Don, Nigel (North East Scotland) (SNP)

Doris, Bob (Glasgow) (SNP)

Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)

Fabiani, Linda (Central Scotland) (SNP) Finnie, Ross (West of Scotland) (LD)

FitzPatrick, Joe (Dundee West) (SNP)

Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Highlands and Islands) (SNP)

Grahame, Christine (South of Scotland) (SNP)

Harvie, Christopher (Mid Scotland and Fife) (SNP)

Hepburn, Jamie (Central Scotland) (SNP)

Hume, Jim (South of Scotland) (LD)

Hyslop, Fiona (Lothians) (SNP)

Ingram, Adam (South of Scotland) (SNP)

Kidd, Bill (Glasgow) (SNP)

Lochhead, Richard (Moray) (SNP)

MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)

Marwick, Tricia (Central Fife) (SNP) Mather, Jim (Argyll and Bute) (SNP)

Matheson, Michael (Falkirk West) (SNP) Maxwell, Stewart (West of Scotland) (SNP)

McArthur, Liam (Orkney) (LD)

McInnes, Alison (North East Scotland) (LD)

McKee, Ian (Lothians) (SNP)

McKelvie, Christina (Central Scotland) (SNP)

McLaughlin, Anne (Glasgow) (SNP)

McMillan, Stuart (West of Scotland) (SNP)

Morgan, Alasdair (South of Scotland) (SNP)

Neil, Alex (Central Scotland) (SNP)

O'Donnell, Hugh (Central Scotland) (LD)

Paterson, Gil (West of Scotland) (SNP)

Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale)

Rumbles, Mike (West Aberdeenshire and Kincardine)

Russell, Michael (South of Scotland) (SNP)

Salmond, Alex (Gordon) (SNP)

Scott, Tavish (Shetland) (LD)

Smith, Iain (North East Fife) (LD)

Somerville, Shirley-Anne (Lothians) (SNP)

Sturgeon, Nicola (Glasgow Govan) (SNP)

Swinney, John (North Tayside) (SNP)

Thompson, Dave (Highlands and Islands) (SNP)

Watt, Maureen (North East Scotland) (SNP)

Welsh, Andrew (Angus) (SNP)

White, Sandra (Glasgow) (SNP)

Wilson, Bill (West of Scotland) (SNP)

Wilson, John (Central Scotland) (SNP)

Abstentions

Harper, Robin (Lothians) (Green)

Harvie, Patrick (Glasgow) (Green)

The Presiding Officer: The result of the division is: For 52, Against 54, Abstentions 2.

Amendment disagreed to.

The Presiding Officer: The question is, that amendment S3M-6169.3, in the name of Liam McArthur, which seeks to amend motion S3M-6169, in the name of Jim Mather, on transmission charging, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

Adam, Brian (Aberdeen North) (SNP)

Aitken, Bill (Glasgow) (Con)

Allan, Alasdair (Western Isles) (SNP)

Brocklebank, Ted (Mid Scotland and Fife) (Con)

Brown, Gavin (Lothians) (Con)

Brown, Keith (Ochil) (SNP)

Brownlee, Derek (South of Scotland) (Con)

Campbell, Aileen (South of Scotland) (SNP)

Carlaw, Jackson (West of Scotland) (Con)

Coffey, Willie (Kilmarnock and Loudoun) (SNP)

Constance, Angela (Livingston) (SNP)

Crawford, Bruce (Stirling) (SNP)

Cunningham, Roseanna (Perth) (SNP)

Don, Nigel (North East Scotland) (SNP)

Doris, Bob (Glasgow) (SNP)

Ewing, Fergus (Inverness East, Nairn and Lochaber)

(SNP)

Fabiani, Linda (Central Scotland) (SNP)

Finnie, Ross (West of Scotland) (LD)

FitzPatrick, Joe (Dundee West) (SNP)

Fraser, Murdo (Mid Scotland and Fife) (Con)

Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Highlands and Islands) (SNP)

Goldie, Annabel (West of Scotland) (Con)

Grahame, Christine (South of Scotland) (SNP)

Harvie, Christopher (Mid Scotland and Fife) (SNP)

Hepburn, Jamie (Central Scotland) (SNP)

Hume, Jim (South of Scotland) (LD)

Hyslop, Fiona (Lothians) (SNP)

Ingram, Adam (South of Scotland) (SNP)

Johnstone, Alex (North East Scotland) (Con)

Kidd, Bill (Glasgow) (SNP)

Lamont, John (Roxburgh and Berwickshire) (Con)

Lochhead, Richard (Moray) (SNP)

MacAskill, Kenny (Edinburgh East and Musselburgh)

Marwick, Tricia (Central Fife) (SNP)

Mather, Jim (Argyll and Bute) (SNP)

Matheson, Michael (Falkirk West) (SNP)

Maxwell, Stewart (West of Scotland) (SNP)

McArthur, Liam (Orkney) (LD)

McGrigor, Jamie (Highlands and Islands) (Con)

McInnes, Alison (North East Scotland) (LD)

McKee, Ian (Lothians) (SNP)

McKelvie, Christina (Central Scotland) (SNP)

McLaughlin, Anne (Glasgow) (SNP)

McLetchie, David (Edinburgh Pentlands) (Con)

McMillan, Stuart (West of Scotland) (SNP) Milne, Nanette (North East Scotland) (Con)

Mitchell, Margaret (Central Scotland) (Con)

Morgan, Alasdair (South of Scotland) (SNP)

Neil, Alex (Central Scotland) (SNP)
O'Donnell, Hugh (Central Scotland) (LD)
Paterson, Gil (West of Scotland) (SNP)
Punis Jaromy (Twooddale Ettrick and J

Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)

Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)

Russell, Michael (South of Scotland) (SNP)

Salmond, Alex (Gordon) (SNP)

Scanlon, Mary (Highlands and Islands) (Con)

Scott, John (Ayr) (Con)

Scott, Tavish (Shetland) (LD)

Smith, Elizabeth (Mid Scotland and Fife) (Con)

Smith, Iain (North East Fife) (LD)

Somerville, Shirley-Anne (Lothians) (SNP)

Stevenson, Stewart (Banff and Buchan) (SNP)

Sturgeon, Nicola (Glasgow Govan) (SNP)

Swinney, John (North Tayside) (SNP)

Thompson, Dave (Highlands and Islands) (SNP)

Watt, Maureen (North East Scotland) (SNP)

Welsh, Andrew (Angus) (SNP)

White, Sandra (Glasgow) (SNP)

Wilson, Bill (West of Scotland) (SNP) Wilson, John (Central Scotland) (SNP)

Abstentions

Alexander, Ms Wendy (Paisley North) (Lab)

Baillie, Jackie (Dumbarton) (Lab)

Boyack, Sarah (Edinburgh Central) (Lab)

Butler, Bill (Glasgow Anniesland) (Lab)

Chisholm, Malcolm (Edinburgh North and Leith) (Lab)

Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)

Eadie, Helen (Dunfermline East) (Lab) Ferguson, Patricia (Glasgow Maryhill) (Lab)

Foulkes, George (Lothians) (Lab)

Gillon, Karen (Clydesdale) (Lab)

Godman, Trish (West Renfrewshire) (Lab)

Gordon, Charlie (Glasgow Cathcart) (Lab)

Grant, Rhoda (Highlands and Islands) (Lab)

Gray, Iain (East Lothian) (Lab)

Harper, Robin (Lothians) (Green)

Harvie, Patrick (Glasgow) (Green)

Henry, Hugh (Paisley South) (Lab)

Kelly, James (Glasgow Rutherglen) (Lab)

Kerr, Andy (East Kilbride) (Lab)

Livingstone, Marilyn (Kirkcaldy) (Lab)

Macdonald, Lewis (Aberdeen Central) (Lab)

Macintosh, Ken (Eastwood) (Lab)

Martin, Paul (Glasgow Springburn) (Lab)

McCabe, Tom (Hamilton South) (Lab)

McMahon, Michael (Hamilton North and Bellshill) (Lab)

McNeil, Duncan (Greenock and Inverclyde) (Lab)

McNeill, Pauline (Glasgow Kelvin) (Lab)

McNulty, Des (Clydebank and Milngavie) (Lab)

Mulligan, Mary (Linlithgow) (Lab)

Murray, Elaine (Dumfries) (Lab)

Oldfather, Irene (Cunninghame South) (Lab)

Peacock, Peter (Highlands and Islands) (Lab)

Peattie, Cathy (Falkirk East) (Lab)

Simpson, Dr Richard (Mid Scotland and Fife) (Lab)

Smith, Elaine (Coatbridge and Chryston) (Lab)

Stewart, David (Highlands and Islands) (Lab)

Whitefield, Karen (Airdrie and Shotts) (Lab)

Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 71, Against 0, Abstentions 38.

Amendment agreed to.

The Presiding Officer: The question is, that motion S3M-6169, in the name of Jim Mather, on transmission charging, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen North) (SNP)

Allan, Alasdair (Western Isles) (SNP)

Brown, Keith (Ochil) (SNP)

Campbell, Aileen (South of Scotland) (SNP)

Coffey, Willie (Kilmarnock and Loudoun) (SNP)

Constance, Angela (Livingston) (SNP)

Crawford, Bruce (Stirling) (SNP)

Cunningham, Roseanna (Perth) (SNP)

Don, Nigel (North East Scotland) (SNP)

Doris, Bob (Glasgow) (SNP)

Ewing, Fergus (Inverness East, Nairn and Lochaber)

(SNP)

Fabiani, Linda (Central Scotland) (SNP)

Finnie, Ross (West of Scotland) (LD)

FitzPatrick, Joe (Dundee West) (SNP)

Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Highlands and Islands) (SNP)

Grahame, Christine (South of Scotland) (SNP)

Harper, Robin (Lothians) (Green)

Harvie, Christopher (Mid Scotland and Fife) (SNP)

Harvie, Patrick (Glasgow) (Green)

Hepburn, Jamie (Central Scotland) (SNP)

Hume, Jim (South of Scotland) (LD)

Hyslop, Fiona (Lothians) (SNP)

Ingram, Adam (South of Scotland) (SNP)

Kidd, Bill (Glasgow) (SNP)

Lochhead, Richard (Moray) (SNP)

MacAskill, Kenny (Edinburgh East and Musselburgh)

(SNP)

Marwick, Tricia (Central Fife) (SNP)

Mather, Jim (Argyll and Bute) (SNP)

Matheson, Michael (Falkirk West) (SNP)

Maxwell, Stewart (West of Scotland) (SNP)

McArthur, Liam (Orkney) (LD)

McInnes, Alison (North East Scotland) (LD)

McKee, Ian (Lothians) (SNP)

McKelvie, Christina (Central Scotland) (SNP)

McLaughlin, Anne (Glasgow) (SNP)

McMillan, Stuart (West of Scotland) (SNP)

Morgan, Alasdair (South of Scotland) (SNP)

Neil, Alex (Central Scotland) (SNP)

O'Donnell, Hugh (Central Scotland) (LD)

Paterson, Gil (West of Scotland) (SNP)

Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale)

(LD)

Rumbles, Mike (West Aberdeenshire and Kincardine)

(LD)

Russell, Michael (South of Scotland) (SNP)

Salmond, Alex (Gordon) (SNP)

Scott, Tavish (Shetland) (LD)

Smith, Iain (North East Fife) (LD)

Somerville, Shirley-Anne (Lothians) (SNP)

Stevenson, Stewart (Banff and Buchan) (SNP)

Sturgeon, Nicola (Glasgow Govan) (SNP) Swinney, John (North Tayside) (SNP)

Thompson, Dave (Highlands and Islands) (SNP)

Watt, Maureen (North East Scotland) (SNP) Welsh, Andrew (Angus) (SNP) White, Sandra (Glasgow) (SNP) Wilson, Bill (West of Scotland) (SNP) Wilson, John (Central Scotland) (SNP)

Abstentions

Aitken, Bill (Glasgow) (Con) Alexander, Ms Wendy (Paisley North) (Lab) Baillie, Jackie (Dumbarton) (Lab) Boyack, Sarah (Edinburgh Central) (Lab) Brocklebank, Ted (Mid Scotland and Fife) (Con) Brown, Gavin (Lothians) (Con) Brownlee, Derek (South of Scotland) (Con) Butler, Bill (Glasgow Anniesland) (Lab) Carlaw, Jackson (West of Scotland) (Con) Chisholm, Malcolm (Edinburgh North and Leith) (Lab) Craigie, Cathie (Cumbernauld and Kilsyth) (Lab) Eadie, Helen (Dunfermline East) (Lab) Ferguson, Patricia (Glasgow Maryhill) (Lab) Foulkes, George (Lothians) (Lab) Fraser, Murdo (Mid Scotland and Fife) (Con) Gillon, Karen (Clydesdale) (Lab) Godman, Trish (West Renfrewshire) (Lab) Goldie, Annabel (West of Scotland) (Con) Gordon, Charlie (Glasgow Cathcart) (Lab) Grant, Rhoda (Highlands and Islands) (Lab) Gray, Iain (East Lothian) (Lab) Henry, Hugh (Paisley South) (Lab) Johnstone, Alex (North East Scotland) (Con) Kelly, James (Glasgow Rutherglen) (Lab) Kerr, Andy (East Kilbride) (Lab) Lamont, John (Roxburgh and Berwickshire) (Con) Livingstone, Marilyn (Kirkcaldy) (Lab) Macdonald, Lewis (Aberdeen Central) (Lab) Macintosh, Ken (Eastwood) (Lab) Martin, Paul (Glasgow Springburn) (Lab) McCabe, Tom (Hamilton South) (Lab) McGrigor, Jamie (Highlands and Islands) (Con) McLetchie, David (Edinburgh Pentlands) (Con) McMahon, Michael (Hamilton North and Bellshill) (Lab) McNeil, Duncan (Greenock and Inverclyde) (Lab) McNeill, Pauline (Glasgow Kelvin) (Lab) McNulty, Des (Clydebank and Milngavie) (Lab) Milne, Nanette (North East Scotland) (Con) Mitchell, Margaret (Central Scotland) (Con) Mulligan, Mary (Linlithgow) (Lab) Murray, Elaine (Dumfries) (Lab) Oldfather, Irene (Cunninghame South) (Lab) Peacock, Peter (Highlands and Islands) (Lab) Peattie, Cathy (Falkirk East) (Lab) Scanlon, Mary (Highlands and Islands) (Con) Scott, John (Ayr) (Con) Simpson, Dr Richard (Mid Scotland and Fife) (Lab) Smith, Elaine (Coatbridge and Chryston) (Lab) Smith, Elizabeth (Mid Scotland and Fife) (Con) Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 57, Against 0, Abstentions 52.

Motion, as amended, agreed to,

Whitefield, Karen (Airdrie and Shotts) (Lab) Whitton, David (Strathkelvin and Bearsden) (Lab)

That the Parliament opposes the existing locational approach to charging electricity generators for access and use of the GB grid system applied by National Grid and Ofgem that results in areas with the greatest renewables potential facing the highest charges in the United Kingdom; agrees that locational charging is a barrier to delivering renewable energy generation from Scotland, impacts on investment decisions and the growth of the Scottish energy sector and undermines delivery of a balanced, diverse and sustainable energy mix that helps to meet the challenge of climate change through moving to a low-carbon energy generation mix; supports the Scottish Government in continuing to work with industry, utilities, academia and environmentalist and business organisations to address the issue of high transmission charges; welcomes the work now in hand to develop and deliver options for change to the transmission charging regime that will help deliver Scotland's energy potential and ensure security of energy supply; recognises also that the current system of charging threatens efforts to develop and deploy large-scale carbon capture and storage technology; believes that it now is essential that an urgent review of the locational charging regime be carried out, and urges the Scottish Government to work with any incoming UK administration to help ensure that such a review gets underway before the end of 2010.

Scottish Football Museum

The Deputy Presiding Officer (Trish Godman): The final item of business is a members' business debate on motion S3M-6032, in the name of Charlie Gordon, on celebrating the Scottish Football Museum. The debate will be concluded without any question being put.

Motion debated,

That the Parliament congratulates the Scottish Football Museum, Hampden Park, Glasgow, on achieving recognised status for its collection, awarded by Museum Galleries Scotland; further notes that Scotland was the first country in the world to establish a national football museum; considers that the Scottish Football Museum reflects many of the pioneering influences that Scotland has brought to the modern game of association football; wishes the Scottish museum a successful future, and would welcome admission to the Scottish Football Museum being free to maximise the number of visitors to the best football museum in the world.

17:06

Charlie Gordon (Glasgow Cathcart) (Lab): I draw attention to my entry in the register of members' interests that relates to my non-executive directorship of Hampden Park Ltd. HPL is a wholly owned subsidiary of the Scottish Football Association, and although I am not a trustee of the Scottish Football Museum, the SFA is represented on its board. I thank the 33 other MSPs who signed in support of my motion, many of whom are present.

Back in the autumn of 2007, 25 of my MSP colleagues across the chamber supported my motion bolstering the Scottish Football Museum's application for its collection to be recognised under the museum recognition scheme. When the Scottish cup came to Holyrood that October, it gave MSPs who support clubs that do not win many trophies-did someone mention Celtic or Hibernian?—the chance to lift the trophy. After tonight's debate, members will have the opportunity to lift the champions league trophy; wine and canapés will also be available. I am delighted to say that thanks to colleagues' previous support, allied to the hard work of other people too numerous to mention, the Scottish Football Museum gained national recognition status for its collection on 13 October 2009.

In common with all the carers of recognised museum collections, the Scottish Football Museum is eligible to bid for up to £40,000 of recognition funding to undertake a project that will increase accessibility to its collections and improve how they are cared for. I have just heard the good news that a separate budget called the capital fund has produced £70,000 for other physical improvements to the museum environment at Hampden.

If the Presiding Officer will permit me, I would like to say more about what Scottish football means to me and to put that in its wider context. I was born and bred in Partick, an industrial burgh of Glasgow that is older than the city itself. Only when I became an adult did I discover that a flour mill has stood on the banks of the River Kelvin at Partick for at least 1,000 years and that, long before that, it was the site of the summer palaces of the kings of Strathclyde and the bishops of Glasgow.

However, when I was a boy, it was Partick's football heritage that impinged on consciousness. The cricket ground at Hamilton Crescent—the venue of the first international football match in 1872, when England held out for a nil-nil draw against Scotland-was and remains a free kick from my home. Just a throw-in further west was the Thomlinson's leather works, where the leather case for the inflatable football-or bladder, as we boys called it—was perfected. In the early days of the professional game, it was the standard ball that was used in matches. Happy the boy who got a size 5 bladder for Christmas!

Alongside those two tangible presences in Partick was an equally tangible absence: that of Partick Thistle Football Club, which is most Glaswegians' other team. Indeed, Bill Aitken played for the club. Partick Thistle once played in Partick, but although the club still bears the name of that erstwhile burgh, it was lured away by the blandishments of Maryhill more than 100 years ago. I am not sure whether Maryhill is forgiven yet in Partick. However, this evening's debate is not just about nostalgia, let alone just about me. To put the history and the heritage of Scottish football in its wider context, permit me to quote from the testimonial letters that various eminent people wrote in support of recognition for the Scottish Football Museum's collection.

John Burnett, who is principal curator of modern Scotland at the National Museums of Scotland, wrote:

"The material on Scots abroad, including club tours, Scots playing football in England (very important in the late nineteenth century), and taking football to parts of the British Empire, and elsewhere, is of great significance in showing the role of the Scots in the worldwide development of the game ... In my opinion this is the most coherent and balanced sports football collection in the UK, and its richness is reflected in the number of loans it has made in recent years to other museums. This collection stands comparison with that in any other sports museum in the world."

Professor Doctor Wulf Köpke, who is the director of—with apologies for my pronunciation—the Museum für Völkerkunde Hamburg in Germany, wrote:

"you have a world class football collection ... From a cultural perspective the museum's collections and the

information that they convey to the visitor help to demonstrate the central interest that the sport seems to have enjoyed historically amongst a significant proportion of Scottish society ... Indeed I would say that the collections of the Scottish Football Museum are outstanding in providing a significant level of social history content which better places the sport within the wider context of society."

Professor Wray Vamplew, of the University of Stirling, wrote:

"As an academic sports historian I could not ask for better research facilities in terms of access to materials, the knowledge of the staff about their collections, and the physical research environment ... The Scottish Football Museum has an international reputation in the sports history world ... and indeed should be ranked highly amongst sports museums generally."

Lastly, the author and historian Simon Inglis wrote:

"the game of football is inextricably linked to Scotland's sense of nationhood. It is therefore only appropriate that Scotland's football heritage is accorded the same level of guardianship that attends other aspects of Scotland's cultural heritage — its music, its literature, its arts and architecture. This guardianship extends not only to the care and presentation of the museum's collections and holdings, but also to the knowledge base ... The museum is therefore a symbol, and a badge of nationhood."

Deputy Presiding Officer, I hope that you are not upset at my allusion to your team's trophyless season. I gather that the Presiding Officer, Alex Fergusson, supports Stranraer FC, so we all have our crosses to bear. Your other colleague, Alasdair Morgan, must be disappointed that his team will miss out on promotion to the Scottish Premier League this season. Were he present, I would console him thus: Liney; Hamilton; Cox; Seith; Ure; Wishart; Smith; Penman; Cousin; Gilzean; and Robertson. Those are the names of the great Dundee Football Club championshipwinning team of 1962, which went on to put eight goals past the German champions, Cologne, in the European cup second-leg tie at Dens Park. Centre forward Alan Gilzean—an inductee of the Scottish football hall of fame, which is a permanent feature at the Scottish Football Museum—went on to more glory with Tottenham Hotspur and with Scotland. To this day, the Dundee fanzine—with apologies for my attempt at the Dundee vernacular-is called "Eh Mind O Gillie".

Such memories never leave us, nor should they. They say a lot about who we are. We do not live by bread alone, recession or no recession. The net running cost of the Scottish Football Museum is £80,000 per annum. Let us all look for a way to make admission to it free to everyone: to Scots who must not forget what we gave to the world; and to foreign guests, who know what we Scots did for world football, even if some of us have forgotten.

17:15

Bill Kidd (Glasgow) (SNP): I thank Charlie Gordon, a fellow Partickonian, for securing this members' business debate on the Scottish Football Museum.

Scotland has a long and colourful footballing history, and if there is one place that should mark the social and cultural impact of football with such a museum, it surely has to be Glasgow. That history ranges from the historic Queen's Park and the other iconic teams of the 19th century, whose names still resonate in their local communities, through the world's first international football match, which was played in Partick in 1872 between Scotland and England, and ended in a thrilling 0-0 draw, to Andrew Watson, the black Scotsman who captained Scotland to a historic 6-1 victory over England in 1881, and Willie Angus, the first world war Victoria Cross winner and player with Celtic, to more than a century of the Hampden roar and the generations of Scots who have made their support heard at internationals and cup games, which include two great European cup finals, one of which I can remember and the other of which Charlie Gordon tells me was a great game in 1961.

Liam McArthur (Orkney) (LD): I thank Bill Kidd for taking an intervention and assure him that this is not my bid to relocate the museum from Glasgow. Charlie Gordon read out testimony from all over the world, but he did not draw on the work that the museum has done in Scotland by bringing a portion of the exhibition to a wide cross-section of the community. My constituency was very grateful for that effort.

Bill Kidd: Liam McArthur makes a good point about the museum being a Scottish football museum that does fantastic work across the country. I am glad that Orkney benefited from that.

The Scottish Football Museum has a right and proper place in our culture and highlights the importance of the national game in the everyday lives of many Scots down through the years. It is fitting that Glasgow is home to the first national football museum, as it is the city that held the first international football match, as I said, and had in Hampden what was the world's largest capacity football stadium, which held 183,724 for the cup final of 1937—which, I believe, was between Celtic and Aberdeen, not an old firm game, so there is no reason for most people to think that such numbers are present only when Rangers and Celtic play.

Also, for the Scottish Football Museum to be in the top 3 per cent of tourist attractions in Scotland, holding a five-star award from VisitScotland, puts it up there alongside Edinburgh castle and the Kelvingrove art gallery as a place that benefits

Scotland and helps to ensure visitor numbers. It says a great deal about the presence of mind of those who established the museum in 1994, and I Scottish congratulate them, the Football Association Museum Trust and people such as Robert Craig and Ged O'Brien. It is important to remember that Scotland has been at the forefront of developments in football throughout the history of the modern game, from the first football club-Edinburgh—in 1824, to the invention of the passing game and the innovation of the pitch and goalpost removal service in 1967. Therefore, it is entirely fitting for Scotland to lead the way in marking the history of the game in such innovative and educational ways as those established at the Scottish Football Museum.

The 14 galleries and 2,500 exhibits provide for a fascinating visit or 10, and I think that the teachers' notes and worksheets, which bring school visits to life, will stick in the memories of young people until they are too old to play themselves and can take their grandchildren along to visit what by then will no doubt be hologram suites, in which people will be able to play keepie-uppie in the company of Jim Baxter and Jimmy Johnstone.

I am all in favour of Charlie Gordon's proposal to have free entry to the museum. I am a regular at Firhill to follow the vagaries of Partick Thistle—although I was not there when Bill Aitken played—and I am heartened by the number of young boys and girls who take advantage of free entry to go along regularly in groups or with their parents to enjoy seeing their favourites. If the Scottish Football Association Museum Trust thinks that it can encourage future generations to keep visiting into adulthood by removing entry charges, it will have my full support. I thank the trust for all its hard work and wish it all the best for continuing success in marking and promoting football.

17:20

Bill Aitken (Glasgow) (Con): I congratulate Charlie Gordon on securing this important and interesting debate. Hampden is Scotland's field of dreams, as the Scotlish Football Museum illustrates with real clarity.

I did not realise until today that Charlie Gordon comes from Partick. I was born and bred in Maryhill, which accounts for my affection—certainly unrequited this season—for Partick Thistle. Charlie taught me something else. I did not realise that the Thomlinson leather works was where the old T bladders were manufactured. As Charlie said, happy was the boy who had been given a bladder for Christmas. I advise Charlie and other members that unhappy was the boy or young man who stopped a T bladder right between the eyes, particularly on a wet November

day. That was one of life's more challenging experiences.

There are serious aspects to the debate. Charlie Gordon was correct to highlight the way in which football is linked with the social history of Scotland and particularly Glasgow. The museum does well to illustrate the changing times. Football attracted massive crowds, although crowds were not quite of the size that Bill Kidd suggested that they were; Hampden's maximum capacity was 138,000. We should remember that Hampden was the biggest football ground in the world at one stage, when the Maracanã stadium in Rio de Janeiro had not yet been built.

Bill Kidd was correct to refer to what is arguably the greatest football match ever played: the 1960 European cup final between Real Madrid and Eintracht Frankfurt. The result was 7-3, with the goals from Real Madrid being split slightly unevenly between Puskás and Di Stefano. I was a young boy at the time, and I was present. I assure members that it was an absolutely fabulous football match, the like of which we will never see again.

Of course, times have changed and we have seen football become wealthier. Perhaps some members—they might not all be on the Labour benches—regret that to some extent football is no longer the sport of the working man. Football was a socially cohesive sport and although it has had problems over the years—particularly in the west of Scotland—which we strongly deprecate, it bound communities together to an extent. Perhaps we have lost that.

As I recall, the goalpost removal service started in 1976, which is not quite when Bill Kidd said it started. The introduction of the service is another example of how things have changed.

The Scottish Football Museum epitomises much of what Glasgow is about. Glasgow is a fitba-daft city, as we know. The connotations of that have not always been positive, but football has given so much to so many people, as the museum exhibits demonstrate. I have been to the museum several times, because, as I said, Hampden is Scotland's field of dreams.

It is understandable that the exhibits will change and perhaps become more contemporary with the passage of time. We might revel in the history of our youth, but times move on and the heroes of the 1950s and 1960s are not quite the heroes of today. The museum has been correct in changing exhibits to bring it up to date.

The motion that we are debating is entirely worth while, and I am sure that everyone in the chamber hopes that the museum will go from strength to strength in the years ahead.

17:25

Hugh O'Donnell (Central Scotland) (LD): I congratulate Charlie Gordon on bringing the motion to the chamber. Like other members, I have visited the Scottish Football Museum on several occasions. As Bill Aitken rightly said, it is a microcosm of Scotland's social culture, so it is good to see that its influence extends beyond its location in Glasgow. My colleague, Liam McArthur, referred to that.

museum goes beyond simply collections. Through its education service, it provides an opportunity to get involved for young people who may otherwise not engage in education. When I was there last year, the Scottish Government had seconded a member of staff to support the education programme that the museum was running, and the staff were at great pains to point out to me its value to young people—especially disengaged young men—who were engaging with education as they had never done before. A look at the museum's website will give an indication of the teachers' notes and the advice that are available. Given the number of young people who are disaffected by traditional models of education, it is a tool that must be incorporated into some of what we do within curriculum for excellence and our other ways of engaging young people.

I make special mention of donors who have generously provided some of the exhibits that the museum displays. I will not name them because there are too many, but there are many pieces in the museum to which the general public would not have access, were it not for the generosity of those people from throughout Scotland.

There is a strange connection between some of the famous footballers that we see in the museum and politics: Charlie Gordon referred to Bill Aitken's playing days. In a much smaller way perhaps with a little more skill and a little more height-Bill and I might have been there other than as visitors, although that is probably just an old man's dream. One person who features regularly in the museum is Ronnie Simpson, a Queen's Park player and a member of the British Olympic football team of 1948. He went on to win FA cup medals with Newcastle United and in the twilight—some would sav—of his career he was at Glasgow Celtic. Sadly, Ronnie passed away a number of years ago. His lesser claim to fame was that he was a Conservative councillor on the City of Edinburgh Council. Perhaps worryingly for us all, with the exception of Bill Kidd, Ronnie Simpson was-this is like six degrees of separationremoved from the City of Edinburgh Council by a former member of the Scottish Parliament, a certain Mr Donald Gorrie, in a by-election back in 1971, which gave Donald Gorrie his entry into

politics. Without that connection, I would not be standing here today, because Donald employed me. Football has a funny way of impacting on wider social life.

I commend Charlie Gordon's call for increased access to the museum. During the debate in 2007 or during an opportunity to question the Cabinet Secretary for Justice, I suggested that he engage with the museum with a view to using some of the money that we take from criminals either to subsidise admission or support free admission, to support the education programme that the museum provides, or both.

I congratulate Charlie Gordon on securing the debate.

17:30

The Minister for Culture and External Affairs (Fiona Hyslop): I congratulate Charlie Gordon on securing this debate and on his passionate and informed speech.

The Scottish Government's recognition scheme was created to celebrate, promote and invest in significant museum and collections around Scotland that are held outwith the nationally run institutions. I am pleased to acknowledge that the Scottish Football Museum achieved this richly deserved recognition status in October 2009. On behalf of the Scottish Government, Museums Galleries Scotland manages the recognition scheme, which has been designed to be flexible and can channel capital and revenue funding to important collections, such as the Scottish Football Museum. On top of the revenue funding that the museum has received, £70,000 in capital funding has been allocated to it for 2010-11, and it has received £20,000 for a project that I will talk about later.

everyone who has spoken has acknowledged, football holds a unique place in the lives and hearts of the Scottish people, and the national recognition award acknowledges the importance of the collection at national and international levels. I have fond memories of my first Scotland game, watching Scotland against Argentina in Hampden in 1979. Sadly, we lost 3-1. However, one of the goals was scored by an 18year-old Diego Maradona-his first international goal—so, even in defeat, Scotland still managed to get international recognition.

As a child, I watched Ayr United, and I will join the team in celebrating its centenary this year. With the indulgence of the Presiding Officer, I would like to congratulate Linlithgow Rose, a team from my home town, which on Saturday gained a place in the junior cup final for the fourth time in nine years, which is a major achievement.

Scotland has been an important pioneer of the game of football at home and on the international stage. Glasgow-born architect Archibald Leitch was the premier football stadium designer of his day. By the 1920s, 16 out of 22 of England's first-division stadiums were Leitch designs. His most famous work that is still in existence is probably lbrox. Archibald Leitch is not alone in promoting football. Another Scot, Alexander Hutton, set up the Argentine Football Association—the oldest in South America—and John Prentice introduced the game to China. It is no wonder that we have such a strong collective pride in our small nation's impact on the world stage.

All of those facts about our beautiful game are just a small part of the story of Scottish football that can be found at the Scottish Football Museum, which is the very first of its kind in the world. That is another significant achievement to add to our list of firsts.

Recently, the museum has been not just about football, but has been at the forefront of an important dementia project. A report on the reminiscence project that was published on 17 March shows that extraordinary results had been obtained from pilot schemes in care homes and at Alzheimer Scotland groups. Glasgow Caledonian University evaluated the benefits of the ninemonth scheme and, although it acknowledged that the scheme was obviously not a cure for dementia, it found that it brought considerable and significant changes to sufferers. The project was initiated at the Scottish Football Museum after a casual conversation about the benefits of the game. The chairman, Robert Craig, went on to obtain funding of £20,000 from Museums Galleries Scotland to set up several projects, all of which were scrutinised rigorously in respect of their benefits.

The pilot reported that many Alzheimer's sufferers became more self-confident and obtained a sense of enjoyment and engagement as a result of the scheme. Alzheimer Scotland now aims to build on those positive results by taking over the short-term funding, and will work in partnership with others to ensure that enough support is secured to roll out the initiative across Scotland. As part of that, it has been advertising for volunteers to talk to the men about football. Judging by the speeches that we have heard, we might have some volunteers in the chamber.

Spending time showing a person photographs and programmes and encouraging them to talk about football is surely a task that many people would not find onerous, especially as it gives them the opportunity to look at items of football memorabilia. It is marvellous to think that something so simple and enjoyable is having such great benefits and is making a difference to the

lives of dementia sufferers. Many sufferers are said literally to come alive again when being shown photographs and discussing events such as Archie Gemmill's unforgettable goal against the Netherlands in the 1978 world cup in Argentina. It is worth noting that the great Ally MacLeod, who led us in Argentina, also succumbed to dementia.

The Government's policy on mental health is to maintain the mental wellbeing of people in Scotland. There are 70,000 dementia sufferers in Scotland, and the figure is set to increase, so anything that alleviates the stresses that are caused by the disease is to be applauded. That helps to tell a tale of the role and place of museums. That role is about heritage and preserving our memorabilia, but it is also about how we ensure that the Government and other resources that are invested in our museums are spread more widely and have benefits that go beyond the obvious.

Our museums play a vital role not just in telling the stories of the collections that they house, but in using those collections to enrich our society on many levels. Research has shown that recreational activity such as culture can significantly improve health care by aiding recovery, reducing anxiety and promoting positive mental health and wellbeing. We should reflect on the role that it can play for young people, in particular.

In addition to providing health benefits, our museums make an enormous contribution to our economy and to education. They often generate community-focused projects that contribute to local pride, to a sense of empowerment and to a greater commitment to the local area. It is important to note that, during this time of recession, visitor figures for museums and other places throughout the country that people want to visit have increased. We should reflect on that point when we consider what resources should be made available in the future. People of all ages can benefit from the richness of what our museums offer. I am pleased that the current museums think-tank is articulating the enormous contribution that our museums have to make.

As the Scottish Football Museum is independent, it is rightly the preserve of the museum's trust to determine its operational policies, including admission charges. As a registered charity, the trust ensures that all profits that it makes are used to fund research and new exhibitions and to improve the museum's many services. All the speeches that have been made today have made a strong case for ensuring that the museum thrives and grows in the future.

With its evocative collections, the Scottish Football Museum offers enjoyment to visitors. I congratulate the museum on its success in the

projects in which it has been involved and on obtaining recognition status. I trust that it will welcome many more visitors for years to come. It is right that the Parliament takes the time to reflect on the beautiful game of football, the wider contribution that it can make and, importantly, the strong work that the Scottish Football Museum does in the wider community and in ensuring that we as a country can celebrate an important part of what makes us Scotland: our football heritage.

Meeting closed at 17:37.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

Members who wish to suggest corrections for the archive edition should mark them clearly in the report or send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP.

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Printed and published in Edinburgh by RR Donnelley and available from:

Scottish Parliament

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

For more information on the Parliament, or if you have an inquiry about information in languages other than English or in alternative formats (for example, Braille, large print or audio), please contact:

Public Information Service The Scottish Parliament

The Scottish Parliament Edinburgh EH99 1SP

Telephone: 0131 348 5000
Fòn: 0131 348 5395 (Gàidhlig)
Textphone users may contact us on 0800 092 7100.
We also welcome calls using the Text

We also welcome calls using the Text Relay service.

Fax: 0131 348 5601

E-mail: sp.info@scottish.parliament.uk

We welcome written correspondence in any language.

Blackwell's Scottish Parliament Documentation

Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries 0131 622 8283 or 0131 622 8258

Fax orders 0131 557 8149

E-mail orders, subscriptions and standing orders business.edinburgh@blackwell.co.uk

Blackwell's Bookshop

53 South Bridge Edinburgh EH1 1YS 0131 622 8222

Blackwell's Bookshops: 243-244 High Holborn London WC1 7DZ Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh.

Accredited Agents (see Yellow Pages)

and through other good booksellers