



Briefing 13/06

February 2013

Low Carbon Scotland

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland

For information only to England, Northern Ireland and Wales

Key Issues

- The Scottish Government have produced a draft report on the second report on proposals and policies (RPP2) for meeting its climate change targets
- The report sets out how Scotland can deliver its statutory annual targets for reductions in greenhouse gas emissions for the period 2013-2027
- Scottish Government is investing over £1.14 billion over the next three years on measures to address climate change

1.0 Introduction

On 29 January 2013 Scottish Government published its Low Carbon Scotland: Meeting Emissions Reduction Targets 2013-2027 report. This document is a draft of the second report on proposals and policies (RPP2) for meeting Scotland's annual greenhouse gas emissions targets that the Scottish Ministers must lay before the Scottish Parliament in accordance with the requirements in section 35 of the Climate Change (Scotland) Act 2009.

As well as the report there will also be an Environmental Report and consultation on this will run at the same time as the Parliamentary consideration period for the RPP2, which is 60 days (**concluding on 29 March 2013**).

The draft second RPP2 report can be found at <http://www.scotland.gov.uk/Publications/2013/01/3958>

2.0 Content of the Report

Scottish Government is investing over £1.14 billion over the next three years on measures to address climate change. Within the second draft RPP2 report it details climate change strategies, which build on Scotland's current low carbon action plan, to meet its world leading and ambitious climate change targets up to 2027.

In 2010 Scotland was already more than halfway to meeting the 2020 target of cutting greenhouse gas emissions by 42%. The report shows how Scotland can and will step up its effort from the first RPP to deliver even greater emissions reductions than the independent

expert Committee on Climate Change suggest, as well as stressing that higher ambition and more urgent action is needed across the EU and UK to tackle what is a global climate challenge.

The report explains Scottish Government's ambitions for a low carbon Scotland, in a lower carbon world economy and why it believes Scotland is so well placed to make this transition. The report also describes the legislative context it is operating within, the role of the independent advisor the Committee on Climate Change, the importance of EU climate change policy, the context of international climate change negotiations, a summary of how Scottish Government estimate emission abatement and sequestration, as well as the approach to costs and benefits. It also highlights important partners and outlines the principles which are guiding the approach.

The report considers areas with major emissions and/ or sequestration opportunities including:-

Energy supply with a focus on electricity generation

This is to be addressed through the target to decarbonise electricity, which is to be achieved via a combination of energy efficiency measures, renewable energy and carbon capture and storage.

In line with those of the EU, the report highlights Scottish Government's energy targets for 2020. These targets set out Scottish Government's aim to make significant progress towards decarbonisation by this date. These include:-

- Meet at least 30% overall energy demand from renewables by 2020
- Reduce total refined energy demand in Scotland by 12% by 2020, covering all fuels and sectors
- Source 11% of heat demand and 10% of transport fuels from renewables by 2020
- Delivering the equivalent of at least 100% of gross electricity consumption from renewables by 2020 with an interim target of the equivalent of 50% of gross electricity consumption from renewable by 2015
- Enable local and community ownership of at least 500 MW of renewable energy by 2020
- Demonstrate carbon capture and storage at commercial scale in Scotland by 2020 with full retrofit across conventional power stations thereafter by 2025 – 30
- Seek transmission system upgrades and increased interconnection capable of supporting the projected growth in renewable capacity

By 2030, Scottish Government's decarbonisation target will be to achieve a carbon intensity of 50 gCO₂/kWh of electricity generation in Scotland. This represents an 83% reduction in carbon intensity between 2011 and 2030 (291 gCO₂/ kWh in 2011).

Homes and communities

Addressed through fabric improvement and heating efficiency, building standards, decarbonisation of heat and information measures e.g. Smart Meters.

To help outline the vision for warm, high quality, low carbon homes the Scottish Government will be publishing their Sustainable Housing Strategy (SHS) following consultation by the end of June 2013.

The main strategies are to:-

- Make sure no-one in Scotland has to live in fuel poverty, as far as practicable, by 2016
- Deliver a step change in provision of energy efficient homes to 2030 through retrofit of existing housing and improved building regulations for new build homes
- Make a full contribution to the Climate Change (Scotland) Act targets
- Enable the refurbishment and house building sectors to contribute to and benefit from Scotland's low carbon economy and to drive Scotland's future economic prosperity.

In addition to these strategies Scottish Government are also aiming for a largely decarbonised heat sector by 2050 with significant progress by 2030 through a combination of reduced demand and energy efficiency, together with a massive increase in the use of renewable or low carbon heating. Further information on this will be found in the Scottish Government Heat Generation Policy statement, which is due to be published later this year.

From April 2013 the Universal Home Insulation Scheme (UHIS), the Energy Assistance Package (EAP) and the Boiler Scrappage Scheme will be replaced by the Scottish Government's new "National Retrofit Programme" (NRP) and the "Warm Homes Fund". The NRP will refurbish or refit Scotland's older homes to make them more energy efficient. This is to in turn save householders money on fuel bills, reducing emissions and provide opportunities for businesses in a low carbon economy. The programme will be area based, aimed initially at fuel poor areas.

Local Authorities are to play a key strategic role in identifying the fuel poor areas and the housing stock which requires upgrading and development. Scottish Government are to provide funding of £65 million per annum to bring together a range of funding streams and lever maximum investment by the energy companies into Scotland. £3 million of Scottish Government funding is being used in pilot schemes to help demonstrate this approach.

Other schemes which are to be utilised include:-

- Warm Homes Fund
- Green Deal
- Energy Company Obligation
- Green Homes Cashback
- District Heating Loan Fund
- Home Renewables Loan
- Climate Change Fund

Business, Industry and Public Sector

These emissions are to be addressed by looking at energy and resource efficiency measures, decarbonisation of electricity and heat.

The main ambitions within this section are:-

- Scottish Government's Efficiency Action Plan has a Scotland wide target to reduce energy consumption by at least 12%, which is a minimum level of ambition for all sectors including the Public sector
- By 2027, Scottish Government believes a complete transformation in the way Scottish public bodies work will have taken place including how their estates are managed. This is to be achieved through implementing and going beyond existing carbon

management plans, sustainable procurement processes and supporting governance arrangements.

- By 2027, to have made significant progress in transforming energy use in industry and business – transforming the way energy and resources are used, through energy and resource efficiency measures and low carbon technologies such as CCs and fuel switching.
- By 2050, direct emissions from the sector will be almost zero through reducing the sector's demand for energy, the use of low carbon electricity sources and deploying low carbon sources of heating and cooling.

The report also highlights the importance of funding when achieving energy efficiency, and provides information on the Non-Domestic Green Deal which is a Great Britain wide policy. It's estimated that the Green Deal investment could amount to £14 billion across the UK over the next ten years and Scottish Government believes Scotland is well placed to secure a proportionate share of this investment. Other sources of finance include the Central Energy Efficiency Fund and the Energy Saving Small Business Loan Scheme.

Transport

Transport emissions in 2010 amounted to 24.1% of the total Scottish emissions, with the majority of this coming from road transport. These emissions are to be addressed via 4 packages:-

- Decarbonising vehicles
- Road network efficiencies
- Sustainable communities including an increased shift towards walking, cycling and public transport
- Business engagement around sustainable transport

While there is currently work being taken forward in relation to reducing these emissions through electric vehicles and the Low Carbon Vehicle Procurement Programme, Scottish Government believe these are not being implemented at the rate required to meet the targets therefore further focus is required.

As well as the work in decarbonising vehicles, initiatives such as congestion management and efficient driving including average speed cameras on trunk roads will be used to compliment work.

Waste and resource efficiency

This is to be addressed through the reduction to landfill gas (Zero Waste Plan). The targets contained within the plan included:-

- The proportion of household waste and subsequently recycled, composted and/ or prepared for re-use. The targets are 40% by 2010, 50% by 2013, 60% by 2020 and 70% by 2025.
- Recycling 70% of all waste (including commercial and industrial waste) by 2025.
- Reducing the proportion of total waste sent to landfill to a maximum of 5% of all waste by 2025.

Through the Waste (Scotland) Regulations 2012, specific measures have been introduced to radically change how waste and recyclables are processed. These include:-

- A requirement for businesses to present dry recyclables and food waste for collection.
- A requirement on local authorities to provide householders with a collection service for dry recyclables and food waste.

- A ban on materials collected separately for recycling going to landfill or incineration.
- Introducing a ban on biodegradable municipal waste going to landfill by the end of 2020.

The report also notes that together with Zero Waste Scotland, Scottish Government is mapping out a number of opportunities for enhanced gas capture across Scotland.

Rural land use

To be addressed by a combination of improved agricultural practice, woodland creation and management as well as peatland restoration.

Scottish Government is using the Land Use Strategy, which was electronically published in 2011, as a guide to reducing the emissions from the rural land use sector. The strategy sets out three main objectives which relate to economy, environment and communities. These are used to support and integrated approach to managing the competing demands placed on Scotland's land resources.

There are also major cross sectoral areas that need to be focused on to achieve these ambitions:-

- Considering potential different futures which may occur
- Making the transition to a low carbon economy
- Getting the funding and financing mechanisms right
- Understanding and influencing behaviours
- The role of the spatial planning system

The report provides details that the measures being used create both costs and benefits for all. It is estimated that the costs for implementing the measures outlined within the report will be on average £1.6 billion per annum (or 1% of GDP) with average benefits being estimated to amount to £1.2 billion (in 2011 prices) per annum. It should be noted that all of the benefits within the report are solely calculated on the basis of potential fuel and energy savings.

3.0 Comment and Conclusion

The report highlights Scottish Government's aim to meet the world leading climate change targets. To achieve these ambitious targets Scottish Local Authorities will need to secure funding to enable them to invest for the future. Within the report a number of different finance and funding options are considered, drawing on methods outlined in Scottish Government's Infrastructure Investment Plan 2011. APSE believe Councils are the best organisations to make this kind of investment as community leaders, energy management and carbon reduction are issues which need to be tackled holistically rather than just by sector.

Scotland has a number of excellent examples of Local Authority champions already making positive steps towards helping meet these ambitious targets being set by Scottish Government. Scottish Councils are offering a number of heating schemes including free loft and cavity wall insulation, helping to reduce heat loss within households (see APSE briefing 13-02 Scottish Housing Condition Survey). Other Council initiatives include West Lothian Council who have a number of wind farms which help power communities across Scotland and North Lanarkshire Council's Biomass Plant within Strathclyde Park. These examples highlight Councils are putting the message into practice and gaining positive results.

Finally it will be important for Councils to build these Government messages into Corporate and Service plans to enable Councils to embed the themes into the future Council vision.

Councils are major contributors to local economies and it is important that when these new and innovative schemes are started, Councils showcase these to communities and help to continue to highlight the issue of Climate Change and ways in which it can be successfully tackled.

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