

Renewable Energy Policy Group- Briefing Paper 8.2.11

Scottish Government's Renewable Energy for Communities

Scottish Government Community And Renewable Energy Scheme (CARES)

To maximise the benefits of renewable energy for local communities through support, free advice, development & funding (Grants fund now closed due to demand)

"Securing the Benefits of Scotland's Next Energy Revolution" – Dec 2010

Consultation on proposals to ensure Scotland and its local communities benefit from renewable and low carbon energy developments

Make the Crown Estate more accountable to the people and government of Scotland.
Enhance community & economic benefits to Scotland

Scotland's low carbon energy potential:

40% UK (& 25% of European) offshore wind potential, 35% UK floating resource, 75% UK (10% European) wave resource - need to capitalise on this without exploiting unsustainably & need to attract investment

Learn from Scotland's past

Realise the benefits of generation of revenue in Scottish waters & manage environmental capital for inter-generational benefit.

Who will benefit from Scotland's low carbon Potential?

Some benefits enjoyed by local communities, ie through direct revenue from developers, projects through local ownership or locally produced sustainable energy sources.

Much of revenue from offshore goes to Crown Estates

Corporation tax revenues from on and offshore developments enjoyed by UK Government rather than Scottish Government.

Proposals for change

Reform the administration of Crown Estate in Scotland, particularly flow of revenues post-devolution.

Create a Future Generations Fund – investment in skills development, capital loans for community renewable projects, supply chain expertise & innovation.

Ensure Scotland receives a direct revenue stream from the new energy revolution.

Creation of a "register of community benefit"

Enhance community benefit within terrestrial & emerging marine planning systems, ie pre-planning loan fund for communities

Maximising community benefit opportunities from renewable projects on property owned by the public sector through negotiations with potential development partners, offering community benefits and investment opportunities.

NPOWER Sponsored White Paper April 2010

Energy Risk Management for UK Business

Looking at the Energy risks to organisations, the impact of the cutback in CO2 emissions, and changes in global supply and demand in reaction to new technologies.

The influence of recession - no energy price reduction coupled with the difficulty of energy contract negotiations.

There are Government Incentives and assistance on reducing carbon footprints/energy bill eg Carbon Reduction Commitment Energy Efficiency Scheme (CRC)

Uncertainty from changes to energy systems & technologies and the current review of electricity market require investment.

Impact of energy risk on business

- Continued price increases & volatility
- Reputation risks & costs of Carbon regulation ie threats of league tables of energy efficiency for businesses being implemented
- Ongoing regulatory & technology complexities

Policies to introduce pollution costs into the price of energy ie parallel carbon & energy services to comply with EU emissions Trading Scheme & CRC

Businesses could improve energy Management by

- setting energy targets & responsibilities for Management
- regular audits & the management of energy use
- Use government incentives & free management services on offer

Plan and monitor energy purchasing & review energy purchasing contracts.

Conclusion

Risks, prices, regulation & administrative burdens from Energy are increasing and businesses need to ensure that energy risk management is a top level & collaborative priority.

Retail – Manage energy purchasing & consumption

Industry – Manage energy contracts, on-site generation, or use emerging indexed or hedge products to purchase energy

Utilities - Use power generation assets opportunities

Public Sector – Review preferred suppliers, achieve budget using hedge & risk management strategies. On-site generation.