

REF

RENEWABLE ENERGY FOUNDATION

The Renewable Energy Foundation is a registered charity promoting sustainable development for the benefit of the public by means of energy conservation and the use of renewable energy.

REF is supported by private donation and has no political affiliation or corporate membership. In pursuit of its principal goals REF highlights the need for an overall energy policy that is balanced, ecologically sensitive, and effective.

We aim to raise public awareness of the issues and to encourage informed debate. Climate change and security of energy supply are complex matters and closely intertwined. REF contributes to the debate surrounding these subjects by commissioning reports to provide an independent and authoritative source of information.

Response to Scottish Government Consultation on Securing the Benefits of Scotland's Next Energy Revolution

General Points

REF does not wish to comment upon the questions raised relating to the Crown Estate in Scotland which are matters beyond our remit and expertise.

REF would however make a general comment relating to Question 1c and 1d about the retention in Scotland of the revenues from off shore renewables and the general tenor of the paper. There is a world of difference between the profitability of the oil and gas industry and the profits of heavily subsidised renewable energy electricity generation.

UK consumers fund the support given to renewable electricity generation, a system that is classified by HM Treasury as tax and the revenue distributed to generators as public expenditure. Hence care should be taken as to how reinvestment of proceeds is carried out. A balance should be struck which reflects the contribution of the UK consumer and the impact or, in some cases, sacrifices of local communities in which specific generating units are located.

Action 2 Creating a Future Generations Fund

If the Scottish Government is minded to establish a Future Generations Fund that fund should invest in research and development of renewable energy technologies including the capital cost of prototype devices and associated installation work to enable a first connection to the grid. The imbalance between funds available for pre generation development work and post generation financial resources has inhibited the development of some technologies. Any Future Generations Fund should look primarily to bring soundly researched, developed and predictable forms of electricity generation to connection to the grid.

Any Fund should be at arms' length from the Scottish Government. It should nevertheless be supported by Ministers and officials whilst accountable to Audit Scotland and the Scottish Parliament.

Isolating a part of the revenues of the Crown Estate in Scotland for the Future Generations Fund may on the surface appear to be reasonable. However any such proceeds may be difficult both to assess, validate and indeed negotiate and would be relatively small compared to the Renewable Obligation or Feed in Tariff regimes.

REF believes that the Scottish Government should give early and detailed consideration to devising a clear and transparent methodology for ascribing an economic value to landscapes and wild land. Scotland cannot afford to damage one of her greatest assets to maximise the return on another. Such a methodology would help to ensure the appropriate development of on shore renewable installations.

Action 3 Creating a "register of community benefit"

REF would have no objection to a statutory basis for a community benefit register particularly if such were to create greater transparency as to the costs and benefits of renewable technologies.

Information on existing community benefits from operational wind-farms should be covered and these benefits should be brought in line with any future statutory minimum formulae over a transitional period.

4a seems to imply that the planning system should facilitate renewable energy developments rather than judge whether they should be approved. There is considerable concern in certain parts of Scotland that local authorities' decisions are ignored or overruled on appeal. Whilst the planning system should not stifle innovation and experimentation, its integrity must be maintained even if from time to time renewable electricity generating opportunities have to be forgone for wider environmental, economic or social reasons.

REF believes that a Statement of Community Benefit should accompany planning applications for wind-farm developments and be subject to scrutiny as part of the planning process in Scotland

Action 5

There can be no objection in principle to the use of public land for renewables subject to planning approval and appropriate community benefits. However as the Renewables Obligation is a tax, the share of the proceeds from electricity generation that is assigned to the departmental or public body land manager should be accounted for and taken into account when annual budgets are determined.

There is an important role that public land could fulfil. Some experimental or test/pilot installations have difficulty in finding a home. Private landowners may prefer proven technologies and predictable returns on investment. A co-ordinating body such as Scottish Natural Heritage could hold information on sites on public land to which renewable energy companies might be referred thereby reducing time spent searching for sites or locations to install plant and equipment. It is an

entirely legitimate role for the public sector to inform the free market by actively facilitating research and development.

18/2/2011