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- Claire Baker, Convener of Economy and Fair Work Committee
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- Finlay Carson, Convener of the Rural Affairs, Islands and Natural Environment Committee

10 January 2023

## PUBLICATION OF SCOTLAND'S DRAFT ENERGY STRATEGY AND JUST TRANSITION PLAN FOR CONSULTATION

Dear Edward,

We are pleased to inform you that the Scottish Government has today published our draft Energy Strategy and Just Transition Plan (ESJTP) for consultation.

The draft Energy Strategy and Just Transition Plan sets out the following vision for the transformation of our energy system by 2045:

**Scotland will have a flourishing, climate friendly energy system that delivers affordable, resilient and clean energy supplies for Scotland's households, communities and business.**

This vision will deliver maximum benefit for Scotland, enabling us to achieve our wider climate and environmental ambitions, drive the development of a wellbeing economy and deliver a just transition for our workers, businesses, communities and regions.

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We are publishing this draft Energy Strategy and Just Transition Plan at a time of unprecedented uncertainty and change in global and national energy systems. The imperative is clear: in this decisive decade, we must deliver an energy system that meets our net zero objectives, supplies safe and secure energy for all, generates economic opportunities, and builds a just transition.

The draft Strategy sets out a route map of ambitions and actions that, coupled with detailed sectoral plans and the forthcoming Climate Change Plan, will guide decision-making and policy support over the course of this decade to 2030. The draft Strategy provides policy certainty for consumers, businesses and investors and sets a clear direction for the future of Scotland's oil and gas sector. A summary of policy positions is appended.

The draft Energy Strategy and Just Transition Plan sets out:

- Our ambitions to transform and **expand Scotland's energy generation** sector. Scotland's rich renewables endowment means we can not only generate enough cheap green electricity to power Scotland's economy, but also export electricity to our neighbours, supporting jobs here in Scotland and the decarbonisation ambitions of our partners.
- Actions we are taking across all sectors of the economy to **reduce our reliance on fossil fuels**. The Scottish Government is clear that unlimited extraction of fossil fuels is not consistent with our climate obligations. Neither is it a solution to the energy price crisis people across Scotland are facing. We want to see the fastest possible just transition for the oil and gas sector.
- Actions we are taking to **accelerate change in the way we use energy – reducing demand across our heat, industry, agriculture and transport sectors** and replacing fossil fuel demand with zero carbon technologies. Low cost, renewable electricity will be critical for decarbonising our energy use, along with significant volumes of renewable and low-carbon hydrogen in harder-to-decarbonise sectors.

The draft ESJTP set out the **critical areas where the UK Government must take action** to secure the full benefits of the energy transition for Scotland's people and businesses include:

- electricity market reform;
- support for carbon capture and storage;
- action on energy affordability;
- reforms to consenting of offshore wind and regulation of the offshore marine environment; and the development of new market mechanisms to support clean energy technology deployment

This is also our **first draft Just Transition Plan**. This draft Strategy and Plan sets out our aim that:

- People have access to affordable clean energy.
- Communities and places can participate and benefit in the net zero energy transition.
- We have a supportive policy environment, maximising the impact of government expenditure and attracting private investment.
- Scotland is home to a multi-skilled energy workforce, boosting our domestic supply chain and manufacturing capabilities.
- Scotland's net zero energy system is continuously innovative and competitive in domestic and international markets.

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It is only right that everyone in Scotland has an opportunity to shape our future Energy Strategy and Just Transition Plan. That is why we have published this strategy for consultation, open until 4 April 2023. The draft Strategy is a vital milestone on our journey to a net zero economy, and we look forward to continuing these important conversations about Scotland's energy future as the final Strategy is developed.

Yours Sincerely,

**MICHAEL MATHESON**

**RICHARD LOCHHEAD**

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# Appendix – Summary of policies set out in the ESJTP

Summary of policies set out in this draft Strategy and Plan	
<b>A Just Transition</b>	
	<p>We are setting out actions in this Strategy and Plan to ensure that</p> <ul style="list-style-type: none"> <li>• People have access to affordable clean energy.</li> <li>• Communities and places can participate and benefit in the net zero energy transition.</li> <li>• We have a supportive policy environment, maximising the impact of government expenditure and attracting private investment.</li> <li>• Scotland is home to a multi-skilled energy workforce, boosting our domestic supply chain and manufacturing capabilities.</li> <li>• Scotland’s net zero energy system is continuously innovative and competitive in domestic and international markets.</li> </ul>
<b>Community benefits and shared ownership</b>	<p>We have set an ambition for 2 GW of community owned energy by 2030.</p> <p>We will encourage developers to offer community benefit and shared ownership opportunities as standard on all new renewable energy projects – including repowering and extensions to existing projects.</p> <p>We are currently updating our Good Practice Principles for Community Benefit from Offshore Renewable Energy Developments, and will consult on new draft guidance in 2023.</p> <p>We will engage with the UK Government to consider mechanisms for maximising opportunities for community benefit and shared ownership for renewable energy developments.</p>
<b>Energy supplies – Scaling up renewable energy</b>	
<b>Offshore Wind</b>	<p>The Offshore Wind Policy Statement, published in 2020, set out our ambition to achieve 8-11 GW of offshore wind in Scottish waters by 2030.</p> <p>This consultation seeks views on whether the Scottish Government should set an increased ambition for offshore wind deployment, and what the level of ambition should be, by 2030 and 2045.</p> <p>The draft Strategy and Plan also acknowledges that the major expansion of offshore wind will impact marine biodiversity and other users of the sea, and describes the action we are taking to balance those impacts.</p>
<b>Onshore Wind</b>	<p>In the Onshore Wind Policy Statement, published in December 2022, we set an ambition to have a total of up to 20 GW of installed onshore wind by 2030.</p> <p>Our draft Strategy and Plan restates our ambition and provides clear positions on community benefit and shared ownership, including how communities can benefit from repowering of existing sites.</p> <p>The Onshore Wind Policy Statement sets out how we will work with industry to deliver an Onshore Wind Sector Deal in 2023, to ensure we maximise deployment and the economic opportunities that flow from it.</p>
<b>Marine</b>	<p>The draft marine vision presents the opportunities for the sector, and potential actions to enable the continued growth of both wave and tidal energy. This will support the delivery of a secure and low carbon energy system and a new industrial opportunity for Scotland.</p>

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<b>Solar</b>	We will support the sector to minimise barriers to deployment, aiming to maximise the contribution solar can make to a just, inclusive transition to net zero. We are keen to see the number of solar installations offering community benefits increase and continue to encourage the sector to consider what packages of community benefit it can offer communities local to developments, in line with our Good Practice Principles. <sup>1</sup>
<b>Hydro power</b>	Hydro power has the potential to play a significantly greater role in the energy transition – both at small-scale in co-operation with local communities as part of a diverse resilient energy supply in remote parts of Scotland, and at larger scale, providing flexibility services to the grid and helping to ensure a continued resilient and secure electricity supply. We urge the UK Government to provide appropriate market mechanisms for hydro power to ensure the full potential of this sector is realised.
<b>Hydrogen</b>	The Hydrogen Action Plan and this draft both reaffirm policy support for hydrogen, and our strong ambitions for Scotland's hydrogen economy. They highlight our intention to capture the supply chain and infrastructure benefits to the Scottish economy from taking a leading role in hydrogen production. Previous ambitions on hydrogen production have not changed: <ul style="list-style-type: none"> <li>• 5 GW installed renewable and low-carbon hydrogen production capacity in Scotland by 2030</li> <li>• 25 GW installed renewable and low-carbon hydrogen production capacity in Scotland by 2045</li> </ul>
<b>Energy supplies - Reducing our reliance on fossil fuels</b>	
<b>Fossil fuel electricity generation</b>	We are opposed to the continued use of unabated fossil fuels to generate electricity. The deployment of CCUS for the Scottish Cluster must demonstrate decarbonisation at pace and cannot be used to justify unsustainable levels of fossil fuel extraction or impede Scotland's just transition to net zero.
<b>Oil and Gas – Offshore</b>	This draft sets out our support for the fastest possible just transition for the sector and consults on the principles on which decisions for future extraction would be based.  The UK Government has introduced a checkpoint to ensure any future licensing is compatible with the UK's climate objectives before a licensing round is offered. In line with advice from the Climate Change Committee (CCC) <sup>2</sup> Scottish Government policy is that climate compatibility checkpoints for oil and gas licensing should extend beyond new licensing rounds to cover fields that are consented but not yet in production.  Further, we consider that any checkpoint should also include an assessment of the proposed production's contribution to international climate commitments.
<b>Oil and Gas - Onshore</b>	The draft reaffirms our preferred policy position of no support for the exploration or development of onshore conventional oil and gas in Scotland and position of no support for unconventional oil and gas.
<b>Coal</b>	The draft reaffirms our preferred policy position of no support for coal extraction in Scotland.

<sup>1</sup> [Community benefits from onshore renewable energy developments](#)

<sup>2</sup> [Letter: Climate Compatibility of New Oil and Gas Fields - Climate Change Committee](#)

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<b>Nuclear</b>	The draft reiterates our firm position on traditional nuclear energy, that we do not support the building of new nuclear power plants under current technologies.
<b>Energy demand for heat, transport, industry and agriculture</b>	
<b>Heat in Buildings</b>	This draft reaffirms our ambitions to decarbonise 1 million homes by 2030, and to reduce emissions from our non-domestic buildings and invest over £1.8 billion in decarbonising homes and buildings, through Heat and Energy Efficiency Scotland - our national energy agency.
<b>Transport</b>	This draft reaffirms our ambitions to reduce car kilometres by 20% and sets out the significant investment in sector decarbonisation.
<b>Industry</b>	The draft sets out how we will continue to support industrial energy efficiency and decarbonisation including low carbon manufacturing over the course of this parliament and sets out our work to deliver a Just Transition Plan for Grangemouth.
<b>CCUS</b>	The Scottish Government remains supportive of CCUS as part of the energy transition. In particular it remains committed to supporting the delivery of the Scottish Cluster. However, we agree that any strategy for deployment of these technologies must enable decarbonisation at pace and cannot be used to justify unsustainable levels of fossil fuel extraction or impede Scotland's just transition to net zero.
<b>Agriculture</b>	This draft sets out how we are building our evidence base through research on opportunities for the sector to decarbonise their energy usage and our continued support through a suite of advice programmes.

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