

Received by email
Olivia

This is a response to the open letter you published on 19 February. I have not answered the questions, instead I thought it would be helpful to give a general overview of the situation in Scotland, in particular with regard to community energy projects, where we are aware of particular grid constraint issues.

Over the last 10 years, the Scottish Government has been leading the way across the UK in how we support community energy. Our support for community projects reflects the importance in empowering communities to take control of their own destiny and make the most of their own local resources. We have set a target of 500MW of renewables in community and local ownership by 2020. The target is unique in the UK, recognising the huge economic return to Scottish communities who come together to make use of the green energy resource around them. The value of the target has been independently estimated at up to £2.2 billion over the operational lifetime of those projects. We are making good progress with around 360 MW operational as at June 2015.

However, as outlined in our draft Community Policy Statement, we are aware of long lead times to grid access (over 18 months) being faced by up to two thirds of the number of community energy project looking to access support under our Community and Renewable Energy Scheme (CARES). Please find attached a list of projects that we are aware of.

In addition, to help find innovative solutions to support the ambition of communities to bring forward projects in grid constraint areas, we introduced in 2012 a new support programme- Infrastructure and Innovation Fund. Funding is available for communities to investigate and develop projects that link local energy generation with local energy use, or projects that wish to develop innovative distribution and storage solutions.

In parts of Scotland there are restrictions or long lead-in times on adding additional generation capacity to the National Grid. Energy storage and network management technologies can allow the efficient substitution of fossil fuels with renewable energy, but these need to be piloted through real world, community-based situations.

The overall aim of IIF is to stimulate innovative approaches to unlock potential for local renewable energy generation. The following areas are priorities for the fund :

- overcoming barriers relating to grid capacity issues;
- energy storage and active network management;
- linking local energy demand with local renewable energy generation;
- delivering renewable heat and electricity to local consumers;
- addressing barriers that communities face in areas of constrained electricity networks.

More information on this can be found at

<http://www.localenergyscotland.org/communities/generating-your-own-electricity/financial-support/infrastructure-and-innovation-fund/>

An added complication, is the introduction of degression under the Feed-in tariff which has resulted in communities seeking to get as early a connection date as possible. The practice of allowing a small amount now- 50kW- with the full capacity being available at the later date when upgrades have been done does not work. The current rules only allow for the community to get the FIT rate for that small capacity for the lifetime of the project or when the upgrade is carried out the project will attract the FIT rate at that point in time.

I appreciate there is no easy solution to resolve these issues, the scenarios that you have outlined each have their pros and cons. However we would be keen to work with you to find a solution that ensures that projects coming forward will get quicker access to the grid. It might be that there is no one size fits all and that a more regionalised/local approach might have to be taken.

I am aware that Highlands and Islands Enterprise (HIE) will also submit a response. HIE are the Scottish Government's economic development body covering the highlands and islands area with a remit that includes strengthening communities. Part of which includes helping communities to develop renewable energy projects. In that regard we fully support their position.

I hope this is helpful and would be happy to be involved as the work progresses.

Regards

Christine

Christine McKay | Local Energy and Consents

4th Floor | 5 Atlantic Quay | Glasgow | G2 8LU

Telephone: 0300 244 1226

Web: www.scotland.gov.uk/renewableenergy