



Stop Climate Chaos Scotland

Written evidence to the Economy, Energy and Tourism

Committee on the Draft Report on Proposals and Policies (RPP2)

“The Parliament and the Government have won plaudits for setting ambitious climate change targets. It is right to be ambitious, and that places a responsibility on us to live up to our ambitions and meet the targets.”

Nicola Sturgeon MSP, 7th November 2012

Introduction

Stop Climate Chaos Scotland (SCCS) welcomes the opportunity to provide evidence to the Economy, Energy and Tourism Committee on the Draft Report on Proposals and Policies (RPP2). In the evidence below, SCCS sets out why **the current draft does not provide a credible plan** for fulfilling the requirements of the Climate Change (Scotland) Act 2009 and highlights those areas which require the greatest attention.

The draft RPP2 has been published at a time of heightened awareness of the urgency with which we must tackle climate change. Recent reports from the World Bankⁱ, World Economic Forumⁱⁱ, International Energy Agencyⁱⁱⁱ and UNEP^{iv} have all highlighted how the high carbon emission trajectory we are currently pursuing will result in dangerous climate change. These authoritative accounts of the urgency for action are matched by record Arctic ice melt^v in 2012, the hottest decade on record for global temperatures^{vi}, and a growing body of evidence linking extreme weather events to climate change^{vii}.

Although Scotland has the strongest climate legislation in the world, it is not alone in rising to the challenge of tackling climate change. An assessment by Globe International showed that 32 out of 33 surveyed developed economies have progressed or are progressing significant climate and/or energy-related legislation^{viii}. Christiana Figueres, the Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC)^{ix} has emphasized the importance of national legislation, saying “nothing is going to be agreed internationally until enough is legislated for domestically.” **It is therefore essential that Scotland has credible plans in place to deliver on its world-leading climate change legislation.**

In 2012, as the second RPP was being developed, SCCS set out three criteria^x for the plan to provide the necessary confidence that future annual targets will be met: **credibility, transparency and ambition**. In this evidence, we have assessed the extent to which the draft RPP2 meets these criteria and then provided answers to the Committees questions relating to energy demand, energy efficiency and fuel poverty.

Summary

- There is an overreliance on proposals over policies, as well as on the EU increasing its climate change target. Unless all proposals described are fully implemented and the EU changes its level of ambition, Scotland will meet just one annual target between now and 2027.
- There is a lack of transparency in order to inform independent assessment of these plans.
- Emissions abatement potential is unexplained and potentially overstated in some cases.
- There is a lack of monitoring of existing policies in order to assess whether emissions savings are being made at the level forecast in RPP1.
- Milestones should be included in the plans in order to facilitate future monitoring and evaluation of policies.
- There is a need to integrate a strategic approach to low carbon behaviour change in policies and proposals.

Transparency and readability of report

Rather than providing greater transparency of data, the **draft RPP2 provides less information than the first RPP**. It no longer distinguishes between UK, EU and Scottish policies as clearly as did previously, nor does it provide estimates of costs for proposals as the original report did. **This lack of information will frustrate future attempts to scrutinise the budget against the requirements of RPP**. In a number of cases, proposals are described in vague catch-all terms such as ‘Lower emissions potential in transport’, but no explanation is provided as to what this proposal would mean in practice. This has the effect of attributing significant carbon savings to poorly defined statements of possible future activities.

Unfortunately the draft RPP2 does not provide a full account of the benefits to be secured from its delivery. Although there is a figure provided for financial benefits it does not account for benefits from, for example, improved air quality, a

healthier population or reduced congestion. As a result, it provides only a partial account of the balance of costs and benefits, an area highlighted as important by Audit Scotland in their report from December 2011^{xi}.

In addition, unlike the first RPP, RPP2 also does not contain percentage reductions per sector compared to the 1990 baseline which makes it difficult to analyse the level of savings being attributed to meetings targets.

Credibility of plans

SCCS is concerned that **RPP2 does not present a credible package of measures** to enable emissions targets to be met. As with RPP1, there remains a significant overreliance on both the EU raising its ambition and the full implementation of a large number of proposals. For instance, in 2020, 41% of savings from the homes and communities sector is to come from proposals, for transport the figure is just over 30%. This balance of effort between committed policies and ‘propositions’ (para 2.11.2 of RPP2) does not provide a blueprint to a low carbon economy.

The table below is based on data from RPP2 and show how **only one target will be achieved if the Scottish Government implements only policies**. Even if the EU raises its ambition, all proposals would have to be implemented to the levels described if all of the legally-binding emissions targets are to be achieved.

EU shifts to 30%	Yes	Yes	No	No
All proposals implemented	Yes	No	Yes	No
All policies implemented	Yes	Yes	Yes	Yes
Outcome for annual targets 2013-2027	Hit all 15 targets	Hit seven targets (2013-19) and miss eight (2020-27)	Hit eight targets (2013, 2021-27) and miss seven (2014-20)	Hit only one target (2013)

Credibility is further undermined by a lack of detail regarding certain proposals that are expected to generate considerable savings beyond 2020. For instance, one transport ‘proposal’, Lower Emission Potential in Transport, does not start to contribute savings until 2025 and by 2027 is saving almost the same as the entire decarbonising vehicles agenda. The risk associated with reliance on possible future activity is compounded by the vague description of future action. The proposal simply refers to ‘a range of models used to predict transport emissions suggest that it may be possible to reduced predicted emissions, perhaps by as much as 0.75 Mt by 2027.’ There is no information to allow an informed interpretation of how likely this is or what steps need to be taken now to ensure it is realised.

RPP2 provides little evidence of the effectiveness of existing policies and as a result the Committee does not have the information needed to judge the credibility of emissions reductions attributed to different policies.

Ambition

It is hard to identify an increase in policy effort in RPP2. Certainly **the ‘step change’ in effort advised by the UK CCC is not apparent**^{xii}. For instance, the transport sector plans to achieve only 65% of the savings RPP1 set out to make; an actual reduction in policy effort rather than an increase. This is reinforced by the absence of *any* Scottish Government transport policies. By its own definition any current Scottish Government transport effort with a focus on emissions reduction is not currently happening at a ‘the intensity required for the abatement figures in this document’ (P124 of draft RPP2). The low level of ambition is compounded by the reliance on action after 2020. Again, the transport sector provides a clear example with three times the emissions reductions expected between 2021 and 2027 as between 2013 and 2020.

Energy demand and emissions

Progress on RPP1

Good progress has been made overall with the energy demand target of a 12% reduction by 2020. Development of renewable electricity has made good progress since RPP1, with more installed and the 2010 generation target beaten by a significant margin. Since RPP1 was published, the government has raised its 2020 renewable energy target from 80% to 100%, and the EET Committee recently confirmed that this target is achievable^{xiii}. The draft Electricity Generation Policy Statement quoted in RPP1 in 2011 is a crucial plan for the future of electricity supply in Scotland. It is therefore disappointing that this is still only in draft form as RPP2 is being prepared in 2013.

RPP2: We very much **welcome the numerical commitment to meet a 50g/kWh target by 2030** which RPP2 adds to the previous policy commitment to ‘largely decarbonise’ Scotland’s electricity supply. RPP2 also spells out more clearly an

ambition to be a supplier of low-carbon electricity to England and Europe. We are also pleased to see that RPP2 rules out any reliance on unconventional fossil fuel techniques like fracking or coal-bed methane.

We are concerned that the government appears happy to agree the construction of new unabated gas-fired power stations in Scotland, with the hope that they might one day be retrofitted with Carbon Capture and Storage (CCS), but with the more realistic **danger that they will continue as major carbon emitters for many decades**. RPP1 was bullish about the future of Carbon Capture and Storage, but the failure of the first UK CCS Competition means more caution should be exercised in predicting if and when CCS might be widely adopted. Some members of Stop Climate Chaos Scotland produced a report showing that a combination of energy efficiency, renewable energy and interconnection investments would eliminate the need for any new fossil-fuelled power generation in Scotland^{xiv}.

The renewable electricity and renewable energy targets for 2020 are ambitious and have driven policy development and investment, but **we are disappointed not to see a renewable energy target for 2030**, which would further help to drive innovation and investment.

While we agree that skills in the oil and gas sector are very transferable to the renewables industry there is currently genuine competition between the two sectors for skilled engineers and **the government needs to take a more hands-on approach to managing the transition from the old industry to the new**. The Offshore Valuation Group estimated that the offshore renewables industry would be worth as much as North Sea oil, eventually bringing in annual revenues of £60bn if we manage this transition successfully^{xv}.

The UK Energy Bill presents a number of opportunities to further reduce emissions in Scotland but, on an Emissions Performance Standard for power stations, the RPP2 seems content to adopt the weak proposal for the UK rather than using a tighter standard in Scotland to maximise good developments here.

Energy efficiency and fuel poverty

Progress on RPP1

RPP1 identified reductions in emissions from homes of 10% and 36% respectively for 2010 and 2020 (against a 1990 baseline). The bulk of these reductions were attributed to improvements in domestic building energy efficiency with more modest abatement from improving new build standards and renewable heat. Milestones on installation of loft and cavity wall insulation into all homes, installation of high efficiency boilers for those homes with gas central heating and at least 100,000 homes to have adopted some form of renewable heat technology were identified.

Scotland's emissions from homes were 3% greater in 2010 than in 1990 and thus the 10% reduction attributed from homes was not achieved. Whilst considerable progress is being made towards these milestones, it is not clear whether Scotland is on track to meet these. Latest statistics (2011) reveal that whilst many homes have some insulation, just 42% of homes have 200mm or more and 34% of homes with cavity walls are yet to have cavity wall insulation. The Energy Saving Trust estimate that around 9,500 homes in Scotland have some form of renewable heating or hot water by end 2010 and based on the current rate of installation have identified that a ten fold increase in installation rates will be required in order to meet target for 100,000 homes to have some form of renewable heat technology^{xvi}. Furthermore, it is questionable if these milestones are sufficiently challenging to ensure abatement levels for 2020 will be reached.

Since drafting RPP1, the government have made a welcome commitment to produce a National Retrofit Programme.

RPP2

Given that emissions from homes have not fallen in line with the trajectory established in RPP1, and this in part contributed to Scotland missing the 2010 emissions target, a step change in delivery of measures to improve the energy efficiency of our housing stock is required. The RPP2 falls short of reflecting this.

Whilst **we welcome the inclusion of a proposal to introduce minimum standards for the private housing sector** we have some significant concerns about the ambition, timescale and effectiveness of the policies and proposals as outlined in RPP2, in particular:

- The lack of any timetable for when the National Retrofit Programme will have covered all Scottish households.
- The **length of time before the proposal for minimum standards would be introduced** (2018). Earlier introduction would help drive up demand for Green Deal and ECO schemes. SCCS recommends a minimum standard of energy performance for all private housing at the point of sale or rental, as of 2015.
- The reduced ambition and delayed timescale (to 2014) for implementing new build standards.

- The **lack of clarity around what the proposal ‘Additional technical abatement potential in fabric and energy efficiency’ is, and how it will be achieved**, particularly given the significant abatement attributed to this proposal. SCCS recommends the Committee seek further information on this proposal in order to assess its credibility.
- The level of abatement expected from smart meters in 2013 and 2014 given the mass roll out programme is not expected to start until 2014. There is also no explanation for the increased abatement attributed to smart meters from 2018 onwards in RPP2 compared to that in RPP1.
- The absence of any proposed milestones. **We recommend milestones on installation of insulation** across Scotland’s stock specifying a minimum of 270mm and on solid wall insulation installation as a minimum of 230,000 - 10% share of the UK recommendation by the Committee on Climate Change).
- The lack of any proposal to use the Land and Buildings Purchase Tax and green council tax approach to incentivise energy efficiency improvements.

Measures for assessing the energy performance and energy efficiency of existing non-domestic buildings:

The measure which is most commonly used for assessing the energy performance of non-domestic buildings is the Simplified Building Energy Model (SBEM), a method and accompanying software developed by the Building Research Establishment (BRE).

There is **no evidence that the accuracy or otherwise of SBEM would have a significant impact on the effectiveness of measures set out in RPP2** insofar as it impacts upon non-domestic buildings. Indeed, while an accurate methodology is useful, what actually delivers the emissions reductions is changes to building fabric and occupant behaviour, and in most cases these are not dependant on pinpoint accuracy of an assessment methodology. Nonetheless we understand that the software behind SBEM is constantly being improved and updated^{xvii}, so any criticisms of the methodology can be tackled through this updating process.

As a wider comment on the proposals and policies in the ‘Business, Industry and Public Sector’ chapter of the RPP, we note that **only one of the policies listed (2010 building regulations) is within the remit of the Scottish Government**. All others are within the remit of the UK Government or the European Union. Relying on the UK Government and the European Union to meet ambitious climate change targets is a risky strategy, and additional policies should be developed at a Scottish Government level to tackle emissions from this sector. **Specifically SCCS suggests:**

- an enhanced Central Energy Efficiency Fund to deliver emissions reductions and fuel bill savings in the public sector;
- the roll-out of Display Energy Certificates for certain public buildings, in addition to the use of Energy Performance Certificates (EPCs), to reflect the actual energy use of a building on the basis of energy bills. We note that England has introduced DEC’s for certain public buildings in order to comply with the Energy Performance of Buildings Directive, and would encourage the Scottish Government to do likewise.
- A firm commitment to the introduction of 2013 building regulations for non-domestic buildings which deliver a 75% reduction in emissions compared to 2007 regulations, as recommended by the 2007 Sullivan Commission.
- A more robust approach to the use of powers under section 63 of the Climate Change (Scotland) Act 2009. The proposals for an assessment of energy performance and emissions regulations are deeply unambitious compared to measures being taken in England and will not deliver the required emissions reductions.

About Stop Climate Chaos Scotland

Stop Climate Chaos Scotland (SCCS) is a diverse coalition of over 60 organisations campaigning together on climate change, including environment, faith and development organisations, trade and student unions and community groups. For more information visit www.stopclimatechaos.org/scotland.

References

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