

## WRITTEN SUBMISSION FROM ENERGY SAVING TRUST

The Energy Saving Trust is grateful for the opportunity to respond to this consultation. Please note that this response does not necessarily represent the view of Energy Saving Trust members.

The Energy Saving Trust was established as part of the Government's action plan in response to the 1992 Earth Summit in Rio de Janeiro, which addressed worldwide concerns on sustainable development issues. We are Scotland's (and the UK's) leading organisation working through partnerships towards the sustainable and efficient use of energy by households, communities and the road transport sector and one of the key delivery agents for the Government's climate change objectives.

We have offices in each of the countries in the UK, and have had a dedicated office in Scotland since 1998 delivering programmes for the Scottish Government, which funds our work in Scotland.

Our response follows the format and order of the consultation document.

**Q1 The Bill creates a statutory framework for greenhouse gas emissions reductions in Scotland by setting a 50% reduction target for 2030 and an 80% reduction target for 2050.**

**What are your views on the 2050 target and a 2030 interim target proposed in the Bill?**

The Energy Saving Trust strongly supports the proposed 80% reduction target for 2050. We also welcome the inclusion of an interim point target. This is because early action is key in terms of reducing the absolute level of emissions in the atmosphere, and an interim target will help to ensure that a minimum amount of action is undertaken by a set date well before 2050. In terms of the level of the 2030 target we believe it is important that this puts Scotland on the necessary trajectory to ensure its 2050 targets are met, and ensures that it puts Scotland on the necessary trajectory to ensure it makes an appropriate contribution to the UK's interim target of a of 26% (against a 1990 baseline) reduction target by 2020.

**Q2 The Bill requires that the Scottish Government sets annual targets, in secondary legislation, for Scottish emissions from 2010 to 2050. It is proposed that these annual targets will be set in batches, the first being for the years 2010 to 2022 inclusive.**

**What are your views on the setting of targets in batches from 2010 to 2022?**

It is important that policies to deliver each 'batch' of targets are viewed in context of meeting longer term targets. Otherwise there is a risk that policy options to deliver in the longer term might be discounted unnecessarily. The experience of the UK Climate Change Programme Review has shown that the focus on a particular timeframe (in this case 2010) can result in a sub-optimal analysis of options, including rejection of policies that have minimal impact in the given timeframe (but could have a significant impact beyond that timeframe). This is also well illustrated by the results of our recent microgeneration modelling work<sup>1</sup>, which shows that policies implemented now will result in limited savings in the shorter term (even with very supportive policies in place including some form of compulsion) but significant savings in 2050. This is not to say that interim targets are not important, simply that action in the short term should not be at the expense of longer term measures. It is important that short term actions are considered in parallel with actions that will deliver carbon savings in the longer term.

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<sup>1</sup> Generating the Future: An analysis of policy interventions to achieve widespread microgeneration penetration in Scotland, The Energy Saving Trust, 2008.  
<http://www.energysavingtrust.org.uk/uploads/documents/aboutest/microgn%20scot%20web.pdf>

**Q3 The Bill provides that from the year 2020, the annual emissions targets must be set so that each is at least 3% lower than the target for the previous year. Prior to 2020, the Scottish Government has indicated that it intends to set annual targets which build towards delivering emissions reductions of at least 3% each year.**

**What are your views on this approach or any possible alternative approaches?**

The Energy Saving Trust agrees that a regular series of targets needs to be set for the reduction of greenhouse gas emissions in Scotland. We note that there are practical issues associated with annual targets – in that the ability to meet them can be unduly impacted by changes in weather or economic activity. On the other hand however, targets over a 5-year timeframe could be too infrequent to adequately assess progress towards meeting climate change targets. It is worthwhile noting that both approaches have been adopted across the UK, with the UK Climate Change Act adopting 5-year carbon budgets, and the Welsh Assembly Government proposing annual targets (of 3 per cent per year<sup>2</sup> by 2011 in areas of devolved competence). In this context consideration could be given to the option of rolling targets outlined in our response to the UK Climate Change Bill<sup>3</sup>, but we note this would add a degree of complexity.

As noted above early action is key in terms of reducing the absolute level of emissions in the atmosphere, and as such we recommend that annual targets up to 2020 are as challenging as possible. In this context it is also worthwhile noting that we believe that a percentage reduction approach is better than a straight line approach since the scope for absolute savings now is higher than it will be once emissions approach the target figure.

**Q.4 The Bill introduces the concept of a “net Scottish emissions account” as a point of reference against which the target for reducing greenhouse gases can be measured. It is defined as the net Scottish emissions plus or minus any carbon units credited to or debited from the account. Any units purchased may be used to offset Scottish emissions. Any carbon units generated in Scotland and sold to customers outside Scotland, count as emissions made in Scotland.**

**What are your views on the proposals in the Bill relating to the net Scottish emissions account, and should there be a limit on the number of carbon units which Scotland can purchase?**

We are supportive of the concept of a “net Scottish emissions account”. In terms of purchasing units and using these to offset Scottish emissions, we believe that ideally the focus should be on reducing Scotland’s emissions. Although credits from international projects have a role to play. However, these need to be robust and deliver real long term additional carbon savings. In this respect we note that major concerns have been expressed by many environmental NGOs on international projects, which has led to the creation of the CDM gold standard. In our view the best projects are energy efficiency and renewable projects that can be replicated elsewhere to deliver long term sustainable benefits to developing nations.

We see no reason why sectors that do not face international competition should not secure emission reductions in the Scotland, for example all reductions required of the household sector should be made by the Scottish household sector. International credits should only be able to account for a minority of Scotland’s emissions reductions, and we believe that a limit should be set on credits counted towards Scottish targets. This would ensure significant emissions reductions in Scotland. However, consideration needs to be given to the current framework of the EU Emissions Trading Scheme and the ability to use non-UK credits. We therefore believe that the use of international credits to meet Scottish objectives should be

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<sup>2</sup> **Note:** It is proposed that the target is a reduction in greenhouse gas emissions by an additional 3% of the baseline in each subsequent year.

<sup>3</sup> See:

<http://www.energysavingtrust.org.uk/uploads/documents/aboutest/Defra%20Climate%20Change%20Bill%20120607.pdf>

limited to between 5 and 10 per cent, although we would like to reiterate that ideally Scottish carbon budgets should be delivered by Scottish carbon reductions. We would strongly advocate that the use of non-Scottish credits is reported in a transparent manner.

**Q5 The Bill defines “Scottish emissions”, in relation to a greenhouse gas, as being emissions of that gas which are attributable to Scotland. The policy memorandum states that “Scottish emissions” are defined as being those greenhouse gases which are emitted in Scotland or which represent the Scottish share of emissions of gases from international aviation and international shipping.**

**What are your views on this definition of Scottish emissions?**

We believe it is important that the targets are set in such a way as to encourage actual emissions reductions in Scotland, and as such we broadly agree that with the proposed definition of Scottish emissions, and are supportive of the inclusion of emissions from international aviation and shipping within Scotland’s climate change targets.

We note that actions in Scotland (e.g. importing and consuming goods and services from elsewhere in the world) will encourage the production of greenhouse gas emissions elsewhere in the world. In this context we note that the Welsh Assembly Government is currently proposing to ‘report separately on Wales’ *total consumption emissions...*. We believe it might be appropriate to consider equivalent reporting requirements in Scotland.

**Q6 The Scottish Government has indicated that initially it intends to seek independent, expert advice on climate change from the UK Committee on Climate Change. The Scottish Government states in the policy memorandum that if it determines that the UK Committee on Climate Change does not meet all the advice needed for Scotland, the Bill contains provisions which will allow the Scottish Government to establish a Scottish Committee on Climate Change or to designate an existing body to exercise these advisory functions.**

**What are your views on the Scottish Government’s approach to obtaining independent, expert advice on climate change?**

We strongly support the use of Committee on Climate Change for the provision of independent, expert advice on climate change. It is vitally important that the provision of such advice remains independent of Government. We agree it is sensible that the Bill contains provisions which allow the Scottish Government to establish a Scotland-specific Committee, but such a body should only be established if the advice from the Committee on Climate Change is deemed, after a certain period of time, not to be specific enough or useful enough to the Scottish Government. Because we believe that true independence is vital for any body that is to be monitoring the progress of the Scottish Government on reducing emissions we do not believe this is an appropriate role for any existing public body.

**Q7 The Bill places duties on the Scottish Government requiring that it reports regularly to the Scottish Parliament on Scotland’s emissions and on the progress being made towards the emissions reduction targets set in the Bill. The Bill sets out details of these reporting requirements.**

**What are your views on these proposed reporting arrangements?**

We are supportive of the proposed reporting arrangements. As noted above we note that the Welsh Assembly Government is currently proposing to ‘report separately on Wales’ *total consumption emissions...*. We believe it might be appropriate to consider equivalent reporting requirements in Scotland.

**Q8 The Bill contains powers to allow the Scottish Government, by regulations, to impose duties on public bodies in relation to climate change, to issue guidance to those bodies relating to their climate change duties and to require that they report upon the discharge of those duties.**

**What are your views on this proposal?**

We are supportive of the provisions within the Bill to allow the Scottish Government to impose duties on public bodies in relation to climate change.

**Q9 The Bill places a duty on the Scottish Government to produce a report for Scotland, setting out its objectives in relation to adaptation to climate change, proposals and policies for meeting them and the timescales within which they will be introduced.**

**What are your views on this proposal?**

The issue of adaptation is outside of the Energy Saving Trust's remit.

**Q10 Muirburn is the act of controlled burning of vegetation on open semi-natural habitats such as muir (Scottish word for moor) or moorland, and includes the burning of plants such as gorse, heather and grass. The Bill contains an enabling power to allow the Scottish Government to vary the permitted times during which muirburn may be made where they consider it necessary or expedient to do so in relation to climate change.**

**What are your views on this proposal?**

The issue of muirburn is outside of the Energy Saving Trust's remit.

**Q11 The Bill will allow modification by order of the functions of the Forestry Commissioners to enable the Forestry Commission in Scotland to play a greater role in tackling climate change. The immediate intent of the Scottish Government is to take forward proposals relating to renewable energy development on the National Forest Estate and the release of capital from the National Forest Estate for woodland creation.**

**What are your views on this proposal?**

The issue of forestry is outside of the Energy Saving Trust's remit.

**Q12 The Bill requires the Scottish Government to produce an action plan setting out current and proposed measures to improve the energy efficiency of buildings in Scotland, as well as measures to encourage behavioural change.**

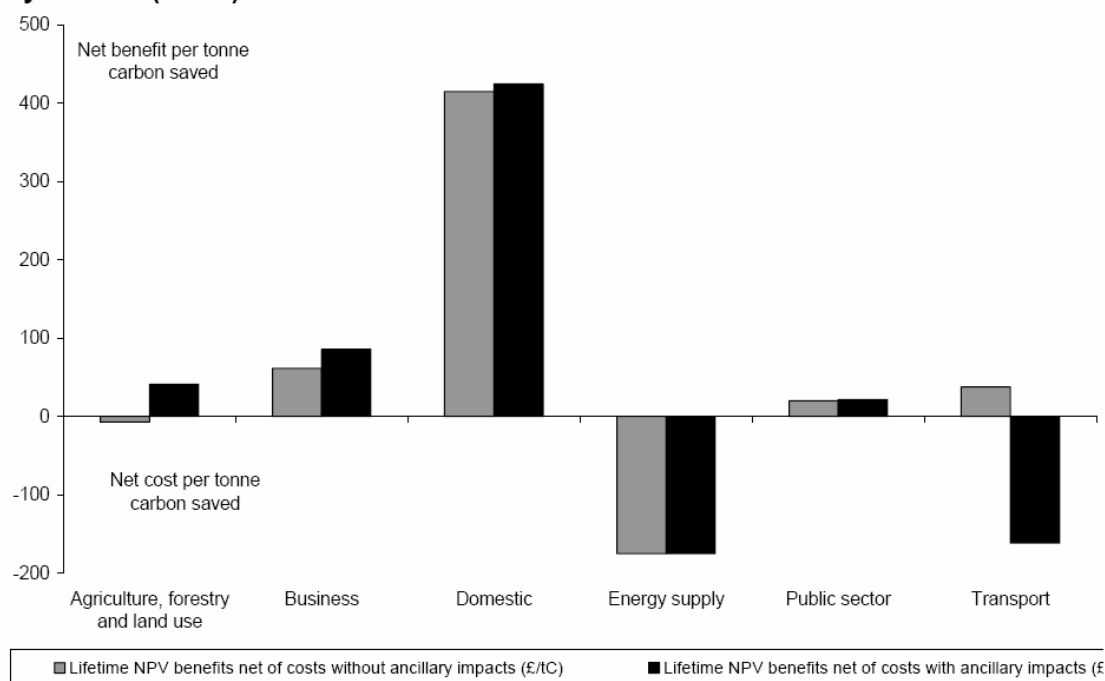
**What are your views on this proposal?**

The Energy Saving Trust very much welcomes the provision within the Bill to require the Scottish Government to produce and energy efficiency action plan.

Energy efficiency has a key role to play in delivering Scotland's climate change targets. The priority in meeting climate change targets in a secure, efficient and environmentally friendly manner in Scotland must be to reduce the level of demand. Demand side activity can be implemented far quicker than changes in the supply side and will allow delivery of carbon reductions with lower levels of low carbon supply. Energy efficiency also helps improve security of supply by reducing the demand for primary energy, and hence dependence on supply side investment and energy imports. Most energy saving options are more cost effective than investing in any new supply capacity. Energy efficiency also plays an important contribution in alleviating fuel poverty. It should therefore always be the number one solution.

Also of relevance is that it is more cost-effective to deliver carbon savings in the household sector than in any other (see table below).

**Figure 2: Cost effectiveness (benefits net of costs per tonne of carbon saved), by source (£/tCe)**



**Source:** *Synthesis of Climate Change Policy Appraisals*, Defra, January 2007, see: <http://www.defra.gov.uk/environment/climatechange/uk/ukccp/pdf/synthesiscppolicy-appraisals.pdf>

Indeed the findings of the CCC's analysis<sup>4</sup> highlight that 'One key feature of the sectors covered, in particular of the residential sector, is that there appears to be scope for significant energy efficiency improvement at a cost to the economy and to individuals which is low, nil, or indeed negative (i.e. where upfront investment would be quickly repaid and give a good return).' Our own figures highlight that the average householder could save up to £340 per year on their energy years, every year based on current energy prices, simply by installing cost effective energy efficiency measures.

In the context of improving the energy efficiency of Scotland's housing stock we therefore believe the Bill could and should go further. The Scottish Government may well find that household energy performance needs to be regulated in the future if it's to meet climate change targets. Therefore it would seem sensible to include some provision within the Bill to make it easier for the Scottish Government to regulate energy performance improvements in the housing stock in the future. In this context we note that the Bill says that 'Scottish Ministers may, by regulations, make provision relating to the assessment of the energy performance of non-domestic buildings'. Thus allowing future regulation to be applied to non-domestic buildings. We also note<sup>5</sup> that the Scottish Government will (once the consultation report for the consultation relating the energy performance of non-domestic buildings has been published) consider whether the energy performance of non-domestic buildings section of the Bill should be amended, and that this could include consideration of the mandate of the implementation of action plans for the improvement of energy performance.

<sup>4</sup> See: <http://www.theccc.org.uk/reports/>

<sup>5</sup> From (uncorrected) evidence provided by the Scottish Government at the Economy, Energy and Tourism Committee, Wednesday 4<sup>th</sup> February.

**Q13 The Bill confers powers on the Scottish Ministers to make regulations providing for the assessment of (a) the energy performance of non-domestic buildings; and (b) emissions of greenhouse gases produced or associated with such buildings. The provisions are enabling in nature and the Policy Memorandum provides further information on the Scottish Government's thinking in this area.**

**What are your views on this approach?**

The issue of non-domestic is outside of the Energy Saving Trust's remit.

**Q14 The Bill places a duty on the Scottish Government to take such steps as it consider appropriate to promote the use of heat from renewable sources. The Scottish Government has indicated this provision will enable it to introduce measures it deems appropriate to incentivise the production of heat from renewable sources.**

**What are your views on this proposal?**

Homes in Scotland are responsible for around 34 per cent of Scotland's energy demand, and around 85 per cent of a typical households energy demand is for heat. Therefore measures to reduce heat demand and to reduce the amount of carbon produced in the production of heat will play a key role in delivering Scotland's climate change targets.

The Energy Saving Trust therefore very much welcomes the provision within the Bill for the Scottish Government to take steps to promote the use of heat from renewable resources. We note<sup>6</sup> that at stage 2 the Scottish Government (subject to ministerial approval) plan include within the Bill an obligation to produce a renewable heat action plan. We very much support this intention and believe it will strengthen this part of the Bill.

**Q15 The Bill sets out measures aimed at improving waste and recycling. The Bill gives powers to the Scottish Government to make regulations in the following areas: Waste prevention and management plans;**

**Waste data;**

**Deposit of recyclable waste;**

**Procurement of recycle;**

**Reduction of packaging;**

**Deposit and return schemes;**

**Charges for carrier bags.**

**What are your views on these proposals?**

Waste is currently outside of the Energy Saving Trust's remit in Scotland.

**Q16 What are your views on the adequacy of the Scottish Government's consultation in advance of publishing the Bill?**

No submission.

**Q17 Do you have any views on the Strategic Environmental Assessment which was carried out by the Scottish Government out on the consultation proposals?**

No submission.

**Q18 Does the Bill raise any equalities issues you would wish to highlight?**

No submission.

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<sup>6</sup> From (uncorrected) evidence provided by the Scottish Government at the Economy, Energy and Tourism Committee, Wednesday 4<sup>th</sup> February.

**Q19 Do you have any comments on the impact of the Bill on sustainable development?**

No submission.

**Q20 Do you have any other comments on the Bill?**

No submission.