

THE FORUM FOR SCOTLAND'S RENEWABLE ENERGY INDUSTRY

REVIEW

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CALL FOR RENEWABLE HEAT COMMITMENT / 2

BETTER RATE THAN NEVER / 3

SMALL COUNTRY THINKS BIG / 5

GREEN ENERGY AWARDS / 6



FEATURE



written by Jenny Hogan



The boiler house at Fyne Homes' Whitegates district heating scheme in Lochgilphead is fuelled by biomass. Image courtesy of ALLenergy

CALL FOR RENEWABLE HEAT COMMITMENT

Scottish Renewables is pressing for energy suppliers to be encouraged to install green heating measures in households as part of their Energy Efficiency Commitment (EEC) obligation.

In collaboration with the Micropower Council, and following internal consultation with members, a position paper on how the domestic renewable heating sector can best be developed through the adaptation of the existing EEC scheme has been produced.

The key messages from this paper formed the basis of Scottish Renewables' submission to the Department of Environment, Food and Rural Affairs (DEFRA) last month, in response to its initial consultation on the third phase of the Energy Efficiency Commitment (EEC3), which will operate from April 2008 until March 2011.

The current EEC imposes energy savings targets on suppliers, requiring them to install energy efficiency measures in customers' homes. In light of provisions in the new Climate Change and Sustainability Act enabling the setting of a carbon target instead of the energy efficiency target, DEFRA proposes to include all microgeneration technologies within the

mix of measures that may be installed within the EEC scheme.

This Act does specify that, in Scotland, only electricity generation measures would be eligible as part of a carbon reductions target within EEC3, as heat is a devolved matter. However, the Scottish Executive has called for more influence over how the EEC is targeted in Scotland, and is committed to producing strategies on renewable heat and microgeneration over the coming year.

Scottish Renewables' development officer, Jenny Hogan, explained: "We are urging the Executive to adopt policies for promoting renewable heat in Scotland in line with our recommendations to DEFRA, ensuring a consistent approach across the whole of the UK.

"Scottish Renewables reported this year that heat accounts for over half of all energy consumption in Scotland, and around 80% of energy demand in the domestic sector. Our findings indicated that renewable heat and microgeneration could meet up to 10% of Scotland's heating needs by 2020, but only with the right support.

"The EEC offers a great opportunity to boost demand for renewable heating and other forms of microgeneration using an existing scheme, and helps bring the UK closer to meeting its climate change targets while reducing fuel poverty."

Scottish Renewables has pressed for the inclusion of all microgeneration technologies within EEC3, and proposes using weighting factors to allow carbon displaced through installation of renewable heating technologies - such as woodfuel boilers, solar thermal panels and heat pumps - to attract a larger credit towards suppliers' EEC targets than some other forms of qualifying actions.

The UK Government will use responses from this initial consultation to inform its thinking in advance of the statutory consultation in 2007.

www.scottishrenewables.com/reports.asp#Consultations

Support mechanisms for renewable heat will be among the issues addressed at Scottish Renewables' annual Bioenergy Seminar, *The Heat is On*, taking place on Friday 24 November 2006 at the Quality Hotel in Perth. For further details, and to register, visit the Scottish Renewables website: www.scottishrenewables.com/events.asp



RO REFORMS COULD “HURT YOUR BUSINESS”

written by Jason Ormiston &
Jenny Hogan

In quick succession the Scottish Executive and the Department of Trade & Industry last month published their latest thinking on changes to the Renewables Obligation with both seeking to provide extra support for emerging technologies.

This has triggered the launch of twin tracked consultations by Scottish Renewables looking at the proposed reform of the RO and the creation of a Scottish Marine Supply Obligation.

Jenny Hogan, Development Officer with Scottish Renewables, said: “Whilst we would normally argue that any extra support for marine power is best delivered outside of the RO, there is little doubt that there is an urgent need to get Scotland’s first wave and tidal stream developments in the water as soon as we can. We will therefore look closely at the detail of the MSO and assess whether it will deliver the desired results”.

Jason Ormiston, the acting chief executive of Scottish Renewables, is leading the consultation response to reforms of the RO. He commented: “Members of Scottish Renewables need to be made acutely aware that there are issues discussed in the DTI document that could fundamentally affect the financial viability of projects, especially in onshore wind and especially if you start generating electricity after April 2009. The DTI has sent the signal that it is likely to reform the RO from time to time and I would strongly urge them to consider the impact of this on the renewables industry.”

Scottish Renewables’ published a discussion paper of the RO reforms last week and it can be found in the members’ only area of the Scottish Renewables website:

www.scottishrenewables.com



BETTER RATE THAN NEVER

written by Victoria Tracey

After nine months of negotiations, Scottish Renewables was able to advise its members of a breakthrough in the assessment of business rates for small-scale hydro schemes. Scottish Renewables’ members involved in hydro development can take the next step in resolving appeals for equitable rates evaluation.

Peter Muir of Glasgow based Consultancy firm Gerald Eve, delivered the long awaited news at the recent meeting of the Scottish Renewables Hydro Work Group. He commented: “We have managed to agree a suitable method of valuation, which we feel, will result in reduced Rateable Values for members.”

Gerald Eve have engaged in discussions with the Assessor for Electricity over the past nine months with an aim to agreeing a scheme of valuation that represents a fair and reasonable approach to the valuation of schemes with a generation capacity of less than 5MW.

The resulting provisional agreement is based on two valuation methods, the contractor’s basis and the receipts and expenditure method. This agreement now looks at the overall costs as well as income, with a new valuation model applying which is subject to individual negotiations.

As Scottish Renewables’ advisors, Gerald Eve, have agreed to discuss the Rateable Values applied to each operator who has lodged an appeal within the statutory timescale with the designated Assessor, on behalf of the members.

Members can contact Peter Muir, Associate and Head of Rating in Scotland. He is based within Gerald Eve’s Glasgow office. His telephone number is 0141 221 6397.

www.geraldeve.com

OPINION



written by Maf Smith

A LONG HARD LOOK BACK... AND FORWARDS

It's been over four years since I came to Scottish Renewables, and in that time everything and nothing has changed.

Everything has changed because the organisation I'm leaving looks radically different than the one that was there when I first arrived. Scottish Renewables itself has grown substantially and now looks, thinks and acts like a mature trade body: a growth curve that mirrors Scotland's renewable sector.

OK, I played my part in that growth, but I also rode the tiger along with everyone else. It was a great ride and I learnt a lot. So too I suspect have many others in the industry. For one thing, we have learnt that however firm government commitments may be, they do not reach down into planning; nor do they reach out into associated parts of government or out to their regulators. In that sense then, nothing has changed.

More than once I have given a speech and used words to the affect, "thank heaven Government wants to see renewables become a success: imagine what it would be like if we weren't wanted".



MY RENEWABLES LIFE



Name: Joe Fergusson

Job Title: Renewables Development Officer, Energy Agency, Ayr

Q: First job?

In Allison's Wine Shop in the Royal Mile soaking the labels off cases of plonk and replacing them with customers' own.

Q: How/why did you get into the renewables sector?

I had begun specialising in ethical and green investment during my previous career as a financial adviser and when I saw an advert for a SCHRI Development Officer it was a 'Damascene moment' - I knew then that it was my future and I never looked back.

Q: Describe a typical day?

I'm often meeting with a community council member, a head teacher or an architect at a site which may or may not be suitable for a heatpump, wood chip boiler or wind turbine.

On a good day I can tie off loose ends until 6.30ish, then its home to the biodiesel processor, homework, eat, paperwork... AARGH! Midnight! sleeep... aah...

Q: Most important/rewarding moment in career to date?

Learning that my 'patch', the South West, had received the most SCHRI grants per capita on the mainland. (The islands probably cheat.)

Q: Favourite part of job?

When, after a long discussion with a stranger about using a renewable technology, they say something that suggests they think I'm really clever and useful.

Q: Worst part of job?

The disappointment on a person's face when I tell them that they can't use their water feature for a pond loop heatpump system.

What couldn't you do without at work?

My colleagues' robust senses of humour and readiness to answer the phone and make tea - eventually.

Despite the Energy Review, despite political parties jostling over who is the low carbon champion, and despite renewables being able to prove convincingly that they are delivering and are winning on all fronts, making progress remains a challenge.

Scottish Renewables itself has grown substantially and now looks, thinks and acts like a mature trade body: a growth curve that mirrors Scotland's renewable sector

My first task for Scottish Renewables, back in May 2002, was to write a response to an Ofgem consultation on Distribution Reform. My last task was to complete the first draft of our Network Blueprint with its call for further grid reforms. Here, more than ever, everything has changed and nothing has changed. It is perhaps here that our industry needs to press harder, and surely it can't be beyond our ken to find the tipping point that will deliver a regulatory system that works for renewables.

As Goethe, famously misquoted by a Scot, puts it: Whatever you dream you can do. Begin it. Boldness has genius, power and magic in it. Begin it now.

Have fun and keep in touch.

www.sd-commission.org.uk

VIEWPOINT



written by Alex Salmond

Alex Salmond's aspiration of one million Scottish households with access to their own or community renewable generation within ten years raised a few eyebrows last month. Here the Leader of the Scottish National Party explains why he wants Scotland to be more ambitious about its renewable potential.



Last month at the SNP annual conference I challenged Scotland to think big.

No more 'best small country in the world' but instead a more mature assessment of our country's present and potential.

Scotland has many strengths but it is in green energy potential that we can lay claim to be a big player.

It is better placed than just about any country on earth to pioneer the full range of clean green energy systems.

I have big ambitions for Scotland's green energy future. In the 18th century Scotland led the world into the industrial age and I believe that in the 21st century we can lead a new renewable revolution.

I want Scotland to again offer the engineering solutions that can potentially save a planet and I want this to be at the heart of our strategy for high sustainable growth.

SMALL COUNTRY THINKS BIG

That is why one of the first acts of an SNP government will be to create a £5m Saltire Prize to reward innovation in renewable technologies and engineering.

And we can think big by delivering small. Over the first term of an SNP government we will quadruple support for household and community renewable projects.

Over the next 10 years I want to see one million Scottish households with access to their own or community renewable generation. In government I will make sure the financial system is in place. We will mobilise the private sector and ensure Scotland's low income, energy poor households are among the first to benefit from this cleaner, cheaper home-grown electricity.

Over the lifetime of a rooftop wind-turbine, the average Scottish household would save thousands on their electricity bill, but more importantly by 2016, Scottish households would be generating the same electricity as half a nuclear power station and would have cut our CO2 emissions by at least 2%.

With this commitment from government I would hope to see Scotland step up a gear in manufacturing and research so that we improve the good systems we already have, make them more efficient, lower their cost and sell them in their millions round the globe.

We are blessed in Scotland with an array of energy potential. We have 25% of Europe's offshore wind sites – the technology is already being deployed in the Moray Firth. We have 25% of tidal potential with the Pentland Firth described as the Saudi Arabia of tidal power.

Earlier this year the SNP released an Energy Paper from a team led by Professor Stephen Salter – one of the finest engineers that Scotland has produced.

It shows that in the medium term Scotland – through tidal, wave and offshore wind - could produce up to five times our own electricity requirements just as right now we produce 10 times our oil and gas requirements.

To take advantage we will need offshore electricity connections direct to a European Continent desperate for power - a super grid.

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I have already raised the prospect with the European Energy Commissioner and believe there is a real opportunity for Scotland to become the powerhouse green energy supplier to Europe.

Ultimately this is a challenge for all of us – politicians, people and the industry. Are we capable of thinking big, or is thinking small going to deprive us of a once in a lifetime opportunity?

www.snp.org



EVENTS

www.scottishrenewables.com/events

GREEN ENERGY AWARDS



The 'Greenest' event in town is nearly upon us. Over 600 have purchased tickets, an exceptional submission of nominations which will create headaches for the judges and the stars signed up. This year to host and 'anchor' the event we will have the glamorous BBC Scotland newscaster Jackie Bird, with entertainment from Eddie Reader (left, formerly with Fairground Attraction).

There are still a small number of places left so please do not delay in contacting Calum McCallum (0141 222 7921 / calum@scottishrenewables.com) for more information.

MASTERING HOW WE TALK ABOUT CLIMATE CHANGE

The first of two PR Masterclasses in Communicating Climate Change were a big hit in October. Both were fully booked with a wide range of organisations and individuals taking part. The Master in the class was Ed Gillespie, creative director at Futerra Sustainability Communications. Not only is Ed a master at understanding and communicating climate change issues, he is master at training delivery.

The Masterclass took participants through various steps in understanding what climate change is, how best to frame messages about climate change and had everyone working on how to put this learning into practice. There were certainly a good few 'creatives' in each class with notable headline messages which companies would pay thousands to have created by an advertising agency.

Ed's delivery was authoritative, stimulating and above all, humorous. As many of you who attended Scottish Renewables' annual conference will have remembered his lively presentation. More information about Ed Gillespie at www.futerra.co.uk

www.futerra.co.uk/downloads/NewRules:NewGame.pdf



AUTUMN SEMINARS FOCUS ON MARINE AND BIOENERGY

Scottish Renewables' series of Seminars (mini-conferences) continues in November highlighting two very distinct sectors within Scotland's portfolio of emerging renewable technologies.

The Marine Energy Seminar – A Sea Change for Scotland – takes place in Dundee on November 10th. Jim Wallace MSP will open the event which will address the implications of the Marine Supply Obligation on the industry, look at removing barriers in planning and grid connection and provide an update on the progress of a range of marine energy projects.

The Bioenergy Seminar – The Heat is On – takes place in Perth on November 24th. The event will look at the latest policy developments, providing an update on Scotland's Biomass Action Plan and £7.5m support scheme and look ahead to next year's Renewable Heat Strategy. Speakers will explore key considerations for developing biomass heat projects and address supply chain development.

For further details, and to book, contact Calum McCallum – 0141 222 7921 calum@scottishrenewables.com www.scottishrenewables.com/events.asp



DIARY

NOVEMBER

- 09** | Marine Energy Network Stakeholder Event – Other Users of the Sea, Dundee
- 10** | Scottish Renewables Marine Energy Seminar: A Sea Change for Scotland, Dundee
- 23** | Scottish Renewables Member Day – Renewables Obligation Review (Consultation Response from Members), Glasgow
- 24** | Scottish Renewables Bioenergy Seminar – The Heat is On, Perth

DECEMBER

- 07** | Green Energy Awards, Edinburgh

MARCH

- 22/23** | Scottish Renewables Annual Conference, Glasgow

MARKETING & PLANNING STATISTICS



by Jason Ormiston & Victoria Tracey

This Market & Planning Statistics page is just a flavour of the analysis that Scottish Renewables undertakes on a daily basis on behalf of its members and key stakeholders. In our public area we place our weekly updated Scottish Renewables' Project Summary.

This is the most up to date summary of energy projects in Scotland. The summary is based on a detailed database which we make available to members as a PDF in the members' area of the Scottish Renewables' website.

Earlier this year we conducted extensive research for *Delivering the New Generation of Energy: Route Map to Scotland's Renewable Future*, a look at the progress of the renewables industry in Scotland and its potential for growth out to 2050. This document is also freely available on the public area of the Scottish Renewables' website.

In addition, Scottish Renewables publishes an annual review and preview of the Scottish

wind industry. Using research completed by Scottish Renewables, this is a good scene setter for the coming year as well as a salutary reminder that despite good growth in the wind sector there remains significant risk.

Which brings us neatly to the Scottish Renewables s36 Tracker. This piece of research gives an insight into how long hydro and wind projects are taking in the s36 determination process. Figure two shows, in six month segments, how long projects have taken to be determined, or how long they have had to wait for determination. For projects that are yet to be determined, hydro projects have had to wait on average 18.5 months and wind 24 months. For projects that have been determined, wind takes on average takes 22 months and hydro 18 months. Rounding down masks the fact that these times are lengthening.

www.scottishrenewables.com/report.asp#Briefings

Fig 1: ROC Tracker

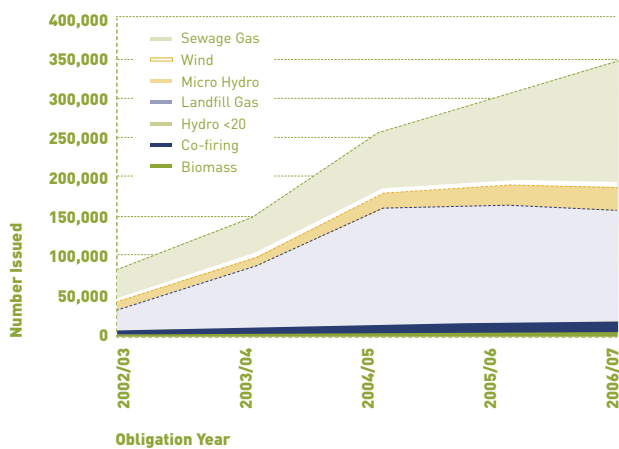


Fig 2: s36 Tracker

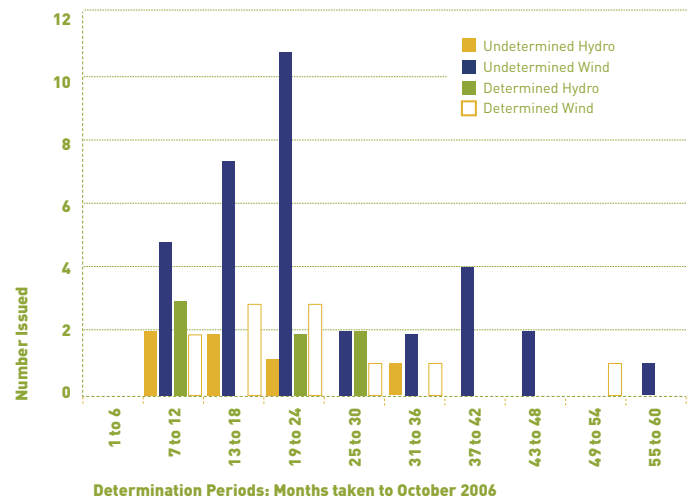


Fig 3: Monthly Installed Energy Capacity in Scotland (2006)

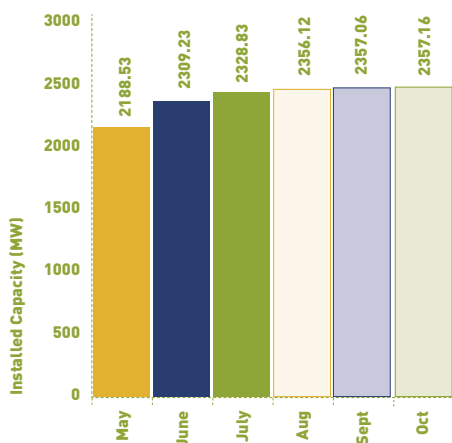
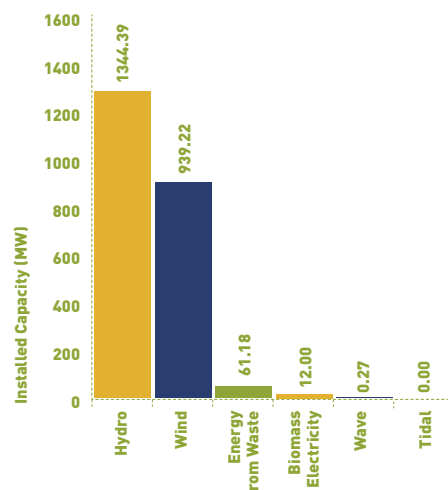


Fig 4: Renewable Energy Installed Capacity in Scotland by Technology (November 2006)



Note: Installed capacity includes electricity generating capacity and the heat equivalent