

Sprint Two Summary Report Scottish Government Energy Strategy and Just Transition Plan Stakeholder Engagement Programme – Summer 2022

Introduction

Two sprint two workshops took place in Dundee on Tuesday 9 August to focus on actions and gaps identified during the sprint one events and develop more detailed and specific input to shape and inform the drafting of the ESJTP. Participants were provided with eight one-page summaries describing challenges, proposed actions and questions for consideration.

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|-----------------------------|---------------------------------------|
| 1. Skills and fair work | 2. Engagement |
| 3. Delivering support | 4. Targets, monitoring and governance |
| 5. Energy efficiency | 6. Communities and benefits |
| 7. Supply chain and exports | 8. Local energy systems |

Working in groups, they were asked to select three or four challenge areas and recommend: **what** needs to be done; **how** it should be delivered; and **who** needs to do it. This report summaries the outputs from these workshops.

1. Skills and fair work

Discussion summary

While the ESJTP should enable the transition of the existing energy workforce, it must also support the attraction, development and retention of new people. Recruitment shouldn't only be focused on existing or legacy energy locations; efforts should be made to create employment opportunities right across the country particularly in disadvantaged areas. It is also important that all relevant Scottish Government skills strategies and policies, eg, the Climate Emergency Skills Action Plan (CESAP), are aligned to the ESJTP, existing commitments are delivered, and duplication is avoided.

Proposed actions

What	How	Who
Make sure the Energy Skills Guarantee commitment outlined in CESAP is deployed in the industry	<ul style="list-style-type: none"> Define the Energy Skills Guarantee Design how the Guarantee will work Engage with employers and unions Test and deploy the Guarantee 	<ul style="list-style-type: none"> Scottish Govt SDS Industry
Provide a clear plan, direction and timetable for when skills and jobs are required to deliver the energy strategy	<ul style="list-style-type: none"> Align with NSTD People & Skills Strategy Align with other published strategies Align with education institutions Map the transition of jobs/roles 	
Develop and communicate clear career pathways for the workforce, including youth workers	<ul style="list-style-type: none"> CESAP and Green Workforce Academy Focus on young people Frame nationally and deliver locally Apprenticeships include new technologies 	

2. Engagement

Discussion summary

Net zero is confusing for most people. Communication on net zero must be relatable and right now, cost reduction is the main driver for the general public. There is a real danger of alienating audiences by targeting messages around ESJTP in inappropriate or counter-productive ways. The general level of climate literacy is low, and the majority of people have more pressing, immediate concerns than climate change or energy transition, so communications must be pitched in ways that are meaningful to them in terms of their everyday lives – from altruism to financial gain and peer pressure. Over-promising has proved ineffective so being honest about the effects of the transition is important. The role of trusted influencers is vital. So-called “Eastenders moments” when popular television shows and social media stars adopt storylines or engage in the narrative are powerful. There is an opportunity to leverage the cost-of-living crisis as an opportunity to promote renewables and decarbonisation messages to a more receptive audience.

Proposed actions

What	How	Who
Consult with communities over their views/concerns about energy transition and properly empower them to play a role	<ul style="list-style-type: none"> • Enable communities to visualise what a green energy future looks like • Create neutral spaces across the country where communities can share views 	<ul style="list-style-type: none"> • National government • Local government • Community councils • Media production companies • Communication companies • Community Energy Scotland • Energy Action Scotland
Identify key motivators that make communities want to engage and act	<ul style="list-style-type: none"> • Distil the complexity of concepts into simple, clear and consistent terms • Avoid technical jargon and keep it simple/relatable • Differentiate messages to take account of different target audience interests • Frame messaging in terms of health, wellbeing and resilience 	
Position communications in terms of the benefits of small actions and local impact	<ul style="list-style-type: none"> • Provide clear practical examples of actions that can be taken • Take micro-level incremental approach and not macro-level strategic view 	
Deliver a sustained public awareness campaign	<ul style="list-style-type: none"> • Build on existing campaigns, using influencers and celebrities to lead • Be creative and bold, ensuring that careful audience testing, and engagement is done before rollout • Invest further in successful ‘Net Zero Nation’ portal • Ensure top down business leadership and action with strong, tangible commitments 	

3. Delivering support

Discussion summary

There are serious gaps and disconnects in the model for delivering support. This is shown through community energy projects which make successful bids but are then left stranded when it comes to implementation. Many support schemes are inflexible and constrained by rules that are ill-considered or counter-productive. They seek to effect long-term, systemic change but receive only short-term, localised funding. This undermines the confidence of communities and companies in committing to transition strategies since the risks are either too great or unquantifiable. There are also problematic structural issues in relying on the private sector to deliver since their short-term shareholder value goals are incompatible with long-term investment in infrastructure. Moreover, the agencies and even government departments involved in providing support are fragmented and unaligned in their approaches.

Proposed actions

What	How	Who
Simplify the mechanisms and rules for allocating support	<ul style="list-style-type: none"> Review the effectiveness and consistency of current schemes Streamline the number of agencies and plethora of different schemes to reduce market confusion Create a central role of the Public Energy Agency to oversee and administer these schemes Review rules to remove anomalies that militate against efficiency Make funding support more long-term and transparent to give confidence and reduce risk 	<ul style="list-style-type: none"> Scottish Government Local authorities Enterprise agencies
Develop end-to-end support packages to mitigate cost and disruption for businesses taking part in the energy transition through information, advice and funding	<ul style="list-style-type: none"> Account for the significant disruptions many businesses face if they stop production to implement energy efficiency measures Test funding models in micro areas prior to national roll-out 	
Properly fund agencies to support all sustainable businesses and not just the small minority that are on a high-growth trajectory	<ul style="list-style-type: none"> Give local authorities statutory powers for economic development Launch a loan fund for businesses that are making the transition, with long-term horizons and preferential rates 	
Improve the awareness of existing support schemes with key audiences	<ul style="list-style-type: none"> Support scheme 'mind map' to create a single view of what is current available Launch communication and awareness campaigns targeting priority groups 	

4. Targets, monitoring and governance

Discussion summary

Current progress and action towards achieving net zero and decarbonisation targets is more aspirational/optional than compulsory. While there is a sense that the quick wins in decarbonisation have already been achieved there is a perceived lack of both clarity and urgency among businesses and communities about what specific targets must be met and when and how that will be realised. A much more data-intensive and data-led approach to decarbonisation is vital along with clear guidance on what is required. For example, decarbonising buildings is not decarbonising the energy system. This data-driven approach must also be accompanied by the imposition of clear obligations on organisations to meet targets or face fiscal penalisation.

Proposed actions

What	How	Who
Develop clear, consistent and specific targets and metrics for decarbonisation at both global and granular levels	<ul style="list-style-type: none"> Focus on consumption targets rather than end-user targets to close loophole of offshoring emissions Public procurement standards must better reflect agreed sustainability criteria 	<ul style="list-style-type: none"> Scottish Government Trade bodies Local authorities
Implement forecasting system to monitor and predict future needs of the public estate and associated organisations	<ul style="list-style-type: none"> Address the issue of left-behind estates such as churches or historic buildings 	
Accelerate timetables for implementation of rules and obligations	<ul style="list-style-type: none"> Need for progressive move to more rigorous regime of obligations/penalties for non-compliance (more stick than carrot) 	

5. Energy efficiency

Discussion summary

Lessons should be learned from the poor outcomes of the Green New Deal which was spectacularly ineffective with poor rates of participation because of poor structuring. While the actual retrofit of houses is not technically difficult, it is complicated by secondary issues such as managing the wellbeing and health of decanted tenants while retrofit takes place. Uncertainty and anxiety about temporary rehousing is a major barrier to successful retrofit strategies.

Proposed actions

What	How	Who
Make the process of retrofit simple, smooth and pain-free for affected tenants	<ul style="list-style-type: none"> • Develop support worker service to help decanted tenants adjust to unfamiliar new accommodation and to move back in again • Use district heating networks to improve reach for low-income families • Increase funding of Home Energy Advisor in local authorities to make sure the right level of resource and expertise is in place 	<ul style="list-style-type: none"> • Scottish Govt • UK Govt • BEIS • Housing associations • Local authorities • SCCAN • Home Energy Scotland • Ofgem
Create national project management templates for retrofits covering all aspects and contingencies	<ul style="list-style-type: none"> • Mandate district retrofits on a street-by-street basis to preserve community cohesion and reduce costs • Develop innovation centres for building net zero capability at universities • Develop best practice toolkits, working with academics, that cover capital costs, materials, efficient working, methodologies etc • Launch mandatory accreditation scheme for all companies engaged in retrofit/decarbonisation work 	<ul style="list-style-type: none"> • Ofgem
Accelerate timetables for district heat and insulation projects	<ul style="list-style-type: none"> • Ensure government role in under-writing such projects to cover risks and overcome reluctance to adopt new approaches 	
Integrate energy planning and home energy efficiency, eg, if a local industrial site generates surplus heat, how can it be directed into the domestic system?	<ul style="list-style-type: none"> • Coordination between government and regulators ie, Scottish Government and Ofgem • Create a planning framework that enables connections to be made rather than looking at everything in isolation • Adopt more prescriptive regulations to 'force' joined up thinking aligned to a whole system approach 	

6. Communities and benefits

Discussion summary

Community benefit must be more clearly and explicitly linked to decarbonisation and just transition – and not funding general community activities eg, sponsoring the local sports team. It is also very important that we define what is meant by ‘community’ as it is open to various interpretations. Many communities previously benefitted economically from the presence of large players in the nuclear and hydrocarbon sectors (eg, the importance of Dounreay to the Caithness economy or the hundreds of jobs at Longannet coal-fired power station) whereas windfarms tend to generate local jobs in single figures rather than in the hundreds. There is also an issue with planning and policy frameworks being ineffective in rural areas since they were designed for urban environments. There is a need for a more systematic and robust approach to the awarding and investment of community benefit funds from energy projects to ensure positive, sustainable legacies and impacts rather than squandering it.

Proposed actions

What	How	Who
Establish a universal model for delivery of community benefit, integrating local and regional funding in an inclusive and fair manner	<ul style="list-style-type: none"> Identify best practice among existing schemes managed by energy network companies Learn from existing successes such as Ayrshire 9CC group 	<ul style="list-style-type: none"> Energy networks (SSE, SPEN) SNIB Local authorities Scottish Government Local energy groups
Deliver community-owned energy generation through local authorities	<ul style="list-style-type: none"> Fund this through preferential, long-term loans from SNIB Leverage the feed-in tariff to enable communities to take control 	
Ensure all viable ideas for community energy projects are taken to a workable, deliverable stage	<ul style="list-style-type: none"> Create and roll-out regional acceleration labs that provide all required expertise, planning knowledge, contacts and funding access to make projects happen 	
Develop a mandated national community benefit framework with clear criteria to make sure the right benefits reach the right communities	<ul style="list-style-type: none"> Create and fund an organisation with the right resources and expertise Embed best practice from existing programmes Move from a system of guidance to one where there is a consistent framework Empower communities and ‘export’ expertise across the country Consider whether ‘community benefit’ from offshore wind could be targeted towards domestic energy efficiency and tackling household fuel poverty Align with Regional Land Use Partnerships to create a joined-up approach 	

7. Supply chain and exports

Discussion summary

With thousands of companies employing hundreds of thousands of people, Scotland’s energy supply chain is world leading. However, the energy supply chain is competing for talent with several other sectors such as construction and infrastructure. It is therefore essential to create a clear and supportive policy framework that enhances investor confidence by creating visibility of the project pipeline and a clear timetable. It is important to present the whole system view to the supply chain to create more joined-up thinking and action on infrastructure investment. Without a clear local content regime, there is a significant risk that supply chain opportunities from major programmes such as ScotWind, are seized by overseas companies rather than Scottish companies, undermining the longer-term success of Scotland’s energy supply chain.

Proposed actions

What	How	Who
Create visibility of supply chain opportunities	<ul style="list-style-type: none"> • In the ESJTP, set out a clear plan and timetable for when critical components of the energy system are needed • Work with energy supply chain companies to make sure that they are prepared to invest and have the right capacity and capability • Support Scotland’s energy supply chain to scale up in the right areas to deliver the transformation of the energy system • Provide specific and targeted support for companies that want to export their products and services 	<ul style="list-style-type: none"> • Scottish Govt • Enterprise Agencies
Define clear local content requirements	<ul style="list-style-type: none"> • Benchmark the approach of other countries to understand and evaluate Scotland’s competitive position • Mandate a certain level of local content in every major energy project • Closely monitor and report on the implementation of the new local content mechanism 	

8. Local energy systems

Neither group selected this area for discussion.