

ECONOMY, ENERGY AND FAIR WORK COMMITTEE

ANNUAL ENERGY STATEMENT

SUBMISSION FROM RTPi SCOTLAND

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economyenergyandfairwork@parliament.scot

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This inquiry is intended as a "health-check" on the development and supply of renewable heat, recognising that stakeholders are likely to have responded to at least five consultations on this, or related, subjects in the last two years.

The Committee is therefore carrying out a short and focussed inquiry, and is asking for **no more than two pages** of written evidence, seeking views on:

1. Whether the 11% renewable heat target is still appropriate?

The UK is legally bound to provide for 12% of its heat from renewable sources by 2020¹. The Climate Change (Scotland) Act 2009 requires Scottish Ministers to report regularly on the progress towards meeting the target to deliver 11% of non-electrical heat demand from renewable sources by 2020. This complements the energy efficiency target to reduce the total final energy consumption in Scotland by 12%. In Scotland, the more ambitious net-zero greenhouse gas emission target of 2045, instead of the UK's net zero target of 2050, would imply that Scotland needs to have a more ambitious renewable heat target and take increased action to deliver it.

2. Whether the target is likely to be achieved?

With just 5.9% of Scotland's non-electrical heat demand from renewable sources in 2017 (an increase from 4.7% in 2016), it is highly unlikely that the target of 11% will be met by 2020.

3. What the key risks and threats to achieving the target are, and what more can be done?

Location and standards of development

The standards of development required and the location of what is consented, will all affect emissions and the pace of decarbonisation. Therefore planning will be central to helping deliver the wide scale roll out of non-electrical heating from renewable sources needed to meet Scotland's net-zero greenhouse gas emission target by 2045. Recently published research by the RTPi has identified the need for strong, informed leadership with the appetite to drive forward innovation and sufficient ambition and long-term perspective to deliver renewable heat targets². There is a clear opportunity for this to be achieved in Scotland with the provisions for Chief Planning Officers in the Planning (Scotland) Act. (2019).

The route to decarbonising heat will be different in different areas depending on a number of locally specific factors. The planning system has a role to play in identifying how new development can integrate with existing assets, such as ensuring new developments connect to district heat systems or that electricity storage can be co-located with existing generation assets. Planning authorities can have an important role in bringing together potential heat customers and facilitating mixed use development, rather than purely residential environments, and at sufficiently high densities to help underpin the viability of networks. Planning policy can also provide support by requiring new development to connect to existing networks, or to be built "connection ready".

Furthermore planners can engage key local stakeholders, including the Distribution Network Operator (DNO), gas DNO, local businesses and local communities, in discussion of the challenges of the energy transition and availability of local evidence to underpin action plans. The process should inform and work with DNOs' investment planning processes and local community processes such as Community Planning Partnerships and Local Place Plans.

In the current absence of a clear market for decarbonised heat, there is an important role for planning authorities in developing an understanding of local need and opportunities and instigating mechanisms, for example local development orders, to support the delivery of locally appropriate

¹ <https://publications.parliament.uk/pa/cm201617/cmselect/cmenergy/173/173.pdf>

² https://www.rtpi.org.uk/media/3410158/smart_energy_future_report.pdf

solutions. A collaborative, innovative partnership between a planning authority and a willing developer can overcome barriers, even in difficult financial markets.

Resources

The solution to decarbonising heat without requiring significant new infrastructure investment is particularly challenging. Therefore this is something that needs identified in the Infrastructure Investment Plan. To translate the spatial elements of this investment there needs to be a clear link with the National Planning Framework 4 (NPF4), one which was not made with the NPF3.

For planners to ensure the location and standard of development support the delivery of renewable heat, as well as garnering the political will and community buy in through the decarbonisation process requires resource. RTPI Scotland is concerned that planning authorities do not have enough resource in terms of both finance and skills in order to support the delivery of renewable heat networks targets. Research by RTPI Scotland has revealed the planning authorities' budgets have decreased in real terms by 40.8% since 2009 alongside a 25.7% loss of staff in planning services. The reduction in expenditure on planning is the highest of any local government service by a margin of 10%³.

With the planning system already under resourced, further financial burdens anticipated over the next ten years could worsen the situations. RTPI Scotland has recently published research evaluating the potential financial implications of changes made to the planning system by the Planning (Scotland) Act 2019. This research highlighted 49 new and unfunded additional duties that have been placed on planning authorities with costing estimates of between £12.1M and £59.1M over a ten year period⁴.

Our recently published research into smart energy planning in the South West of England has highlighted a need for a dedicated team resourced to lead work on smart energy and integrated policies and action for decarbonisation cutting across all local authority functions. Embedding smart energy objectives across a wide variety of functions of a local authority, has proved to be highly effective⁵. Therefore Scottish Government needs to be clear about where the resourcing required to meet these ambitions and ensure we have an effectively funded planning system to do so.

³ RTPI Scotland (2019) Resourcing the Planning System: Key Trends and Findings 2019. April. Available at: <https://bit.ly/2WxNNVr>

⁴ [https://www.rtpi.org.uk/media/3447036/RTPI%20Scotland%20-%20Financial%20Implications%20of%20Implementing%20the%20Planning%20\(Scotland\)%20Act%202019.pdf](https://www.rtpi.org.uk/media/3447036/RTPI%20Scotland%20-%20Financial%20Implications%20of%20Implementing%20the%20Planning%20(Scotland)%20Act%202019.pdf)

⁵ https://www.rtpi.org.uk/media/3410158/smart_energy_future_report.pdf