The case for a Scottish Energy Development Agency

Dr Keith Baker
Common Weal; The Energy Poverty Research initiative; and the Built Environment Asset Management (BEAM) Centre, Glasgow Caledonian University
T. +44 (0) 7884125540
W. www.energypovertyresearch.org
W. www.commonweal.scot
Twitter: @Stumpysheep
Brief history

2013 - Common Weal proposes the establishment of a Scottish National Energy Company

2017 – EPRi is founded as a step towards establishing a Scottish centre for excellence in energy poverty research, formally recognising a 10 year collaboration between the co-founders

2018 – EPRi members join forces with a team at CW to form the energy group and start work on a new paper on the SNEC, which draws on prior work at GCU (with Ramboll UK) to develop new proposals for a Scottish Energy Development Agency

Feb 2019 – Common Weal publishes the ‘Powering Our Ambitions’ policy paper, which sets out the case for the SEDA
Brief history

May 2019 – Common Weal publishes the ‘Just Warmth’ policy paper on developing equitable and sustainable district heating, which develops the SEDA proposals further

Mid-2019 – GCU recognises EPRi as a spin-out from the BEAM Centre

June 2019 – Common Weal, EPRi and GCU jointly publish the ‘Carbon-free, Poverty-free’ report (funded by Calor), which again stresses the benefits of establishing the SEDA

June 2019 – The SNP’s Greenock and Inverclyde branch (Ronnie Cowan MP, Stuart McMillan MSP) back the proposal and prepare a motion to SNP conference
Brief history

Oct 2019 – SNP conference votes overwhelmingly in favour of a motion to establish the SEDA
Oct 2019 – Discussions with key stakeholders begin
Nov 2019 – The Scottish Greens adopt the proposals as part of their Green New Deal
Nov 2019 – The New Economics Foundation publishes its ‘Re-energising Manufacturing’ report - their top recommendation is to establish a SEDA
Nov 2019 – Common Weal publishes the Common Homes Plan
Dec 2019 – Stakeholder consultation on the SEDA opens
The Proposal

Structure, Powers, and Roles

The scope of the SEDA’s operational structure, powers and roles and responsibilities will be based on those of the Scottish Environmental Protection Agency (SEPA), only as applied to the strategic planning and development of low carbon and renewable energy.

This will limit the need to reinvent the wheel by adopting a proven and successful model, as well as allowing these to be easily mapped between the two agencies and the remits of policy officers in government and stakeholder organisations / companies.
The Proposal

The need for a Heat Supply Act*

As an agency, the SEDA will support the development of any new legislation and regulations necessary for it to carry out its roles and meet its organisational objectives. One of its first acts will be to support the passing of a Heat Supply Act*, based on the successful legislation that has been implemented by Denmark since 1979. This will need to be staged in to allow sufficient time for stakeholders to adapt their policies and practices, and so the SEDA will direct the revision of this Act over a timetable to be agreed following further consultation.

*First recommended to the Scottish Government by GCU in the 2012 ‘Housing Futures’ report for CXC Scotland and the Scottish Government.
The Proposal

Enabling cost and carbon-cost efficiencies

As a central strategic planning body, the SEDA will enable significant cost and carbon-cost efficiencies, as well as rectifying inequities in the current system, by identifying and specifying projects which have the greatest potential to result in the greatest benefits and co-benefits to Scotland’s environment, society, and the long term economic planning needed to ensure its climate change targets will be met. The specification will include the location of the projects, the properties to be served, the benefits to be leveraged and, in many cases, the technological options to be employed (including identifying existing and / or potential suppliers in their fuel supply chains). These projects will then be put out to tender (depending on local capacity), with appropriate safeguards in place to represent and protect the interests of local communities, and to empower them to realise their full benefits.
The Proposal

Building supply chains, creating jobs, and enhancing the environment

The SEDA’s operations will include a heavy focus on the strategic planning and development of local and sustainable fuel supply chains, including directing the locating of new solar farms, thermal and electrical storage facilities, and supplies of biomass and biofuels (working in partnership with the Scottish Government and existing agencies such as SEPA, SNH and the Forestry Commission). The latter will include engaging with the Forestry Commission, landowners, and other stakeholders, to develop new forests and woodlands to supply wood fuel and leverage their associated co-benefits – job creation, carbon sequestration, recreation and tourism opportunities, enhancing biodiversity, etc.
The Proposal

Working effectively with local authorities

Enabling an effective operational relationship between the SEDA and local authorities will be critical to its success as they will be partners in many of the projects it will deliver. Therefore, the roles of the SEDA will include ensuring funding that for these projects is ring-fenced, and that LAs have the necessary enforcement powers and capacities to deliver on their responsibilities.
The Proposal

Professional expertise and scrutiny

As a government agency, the SEDA will provide a hub of specialist technical expertise, overseen by an internal supervisory body which will include representative from SEPA and the relevant professional associations (ICE Scotland, RICS, CIBSE, RIAS, CIWEM, etc), and be able to draw on expertise from independent academics and professionals.
The Proposal

Capturing and retaining specialist staff and knowledge

The creation of this hub counters the problem of local authorities not being able to retain such highly specialist technical staff on long-term contracts. Furthermore, and where not prevented by conflicts of interest, the hub will enable knowledge exchange between government and the private sector, facilitated by the roles and responsibilities of SEDA staff being mapped directly to those of staff at the Scottish National energy Company and the Scottish National Infrastructure Bank. Staff based at the hub will be assigned (long-term) as needed to support the development and management of energy projects and, by being directly accessible to the consortia delivering the projects, enable the gathering and retention of both tacit and explicit knowledge within the public sector.
Re-skilling Scotland

To support this goal, and drawing on evidence from members of the supervisory body, the SEDA will also advise on Scottish Government policies on education and training to deliver skilled staff to the many industries within its operational remit, and will be a statutory consultee to these. Making the SEDA a statutory consultee of bodies involved in promoting education and training sets a boundary for assessing its performance as a public body, which should not depend on being able to support the delivery of a function that is peripheral (but important) to its main engineering-orientated functions.
The Proposal

Protecting Consumers*
The SEDA’s remit will necessary include ensuring consumers are protected through appropriate regulation, and therefore it will need to have some form of formal relationship with the new Consumer Scotland. As such, this element of the SEDA will need to be fully defined once the details of CS have been finalised in 2020.

*A number of possible options have been discussed in more detail with Citizens Advice Scotland and others, and the most preferable one will be put forward in due course.
The Proposal

Professional and qualified governance

Ensuring that the SEDA is governed by appropriately qualified and experienced technical experts will be critical to its success, and so another role of the internal supervisory body would be to vet members of its executive board. The board will be required to include a number of representatives from government and statutory consultees (e.g. Consumer Scotland, SEPA, Home Energy Scotland) but with a two-thirds majority of members (including the Chair) being required to have chartered status or similarly appropriate qualifications and experience in relevant engineering or scientific disciplines.
The Proposal

Independent monitoring and evaluation

The SEDA’s performance, and that of the projects it develops will be monitored and periodically evaluated by an independent reviewer to be appointed by competitive public tendering. The collection and reporting of key performance data will be designed into the SEDA’s operations from its inception (specific proposals for the evaluation of district heating systems are included in our ‘Just Warmth’ policy paper).
The Proposal

A roadmap for establishing the SEDA

We propose that one of the outcomes of the meeting to be held following this consultation exercise will be an organisational development plan for the SEDA, to be approved by ministers, so that the organisation would have a roadmap against which its performance can be judged. This would enable the roles, responsibilities, capacities and operations of the SEDA to be staged in, and to give stakeholders room to adapt their practices over time. We would intend for this process to take no more than 2-3 years from inception to full operation, and to be managed in-step with the development of a Heat Supply Act.
Addendum: Using data to make the world a better place

Astrosat - Musselburgh-based data visualisation / space tech company.

Software tools use machine learning for climate impact risk management and targeting fuel poor households (ECO3 compliance).

The software could also be used for strategic planning for district heating, fuel supply chains, risks to essential infrastructure and services, etc.

About to start visualising the data from Common Weal’s Scottish Atlas of Opportunity.

More news to follow.

Website: www.astrosat.space
Next Steps

• Consultation closes 5pm on Friday 13th March 2020
• Response paper with a revised proposal to be published early April 2020
• Stakeholder meeting in Edinburgh to agree the final proposal May / June 2020
• Final proposal to be put to Ministers before summer recess
Useful links

Background information and progress updates on the SEDA:
http://energypovertyresearch.blogspot.com/p/blog-page_15.html

SEDA consultation: http://energypovertyresearch.blogspot.com/p/seda-consultation.html
Huge thanks to the many people and organisations who have helped get us this far 😊

Agnes McAuly, Greenock & Inverclyde SNP; Cllr Ashley Graczyk; Astrosat; Built Environment Forum Scotland; Calor Ltd; Chris Hanlon, SNP TU Group; Citizens Advice Scotland; Energy Action Scotland; ICE Scotland; Jacob Kristensen, Royal Danish Embassy; Liam McArthur MSP; Malcolm Fraser Architects; Dr Nadine Andrews, Scottish Government; the New Economics Foundation; Orkney Islands Council; Paul Steen, Ramboll UK; Richard Murphy, Tax Research UK; Ronnie Cowan MP; the Scottish Ecological Design Association; the Scottish Federation of Housing Associations; the Scottish Green Party; the Scottish Parliament Cross Party Groups on Housing and Architecture and the Built Environment; Stuart McMillan MSP.

(And apologies to anyone we’ve missed!)