

Rob Gibson MSP

Convenor

Rural Affairs, Climate Change and Environment Committee

The Scottish Parliament

Edinburgh

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In 2014 Scotland Welcomes the World



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Dear Rob

During the Committee evidence session on Scotland's climate change targets on 8 October, I undertook to write with further information on a number of issues. I have provided this additional information below, which I hope the Committee will find useful:

Support for landlords in rural areas

The Scottish Government has invested more than £220 million in household energy efficiency since 2008/09. In 2014/15 the Scottish Government is investing £79 million in our Home Energy Efficiency Programmes for Scotland (HEEPS) which is open to both owner occupiers and private sector landlords/tenants. The majority of that investment - £60 million - is distributed to Local Authorities in Scotland and is allocated on the basis of need, taking into account levels of fuel poverty and the types of properties within areas. This ensures that funding is directed to those areas most in need of assistance, particularly in rural areas which are likely to have a higher proportion of homes in fuel poverty, and where heating oil or electricity is their main source of heating. In recognition of the issues in remote and rural areas across Scotland, we allocated over £5 million more in HEEPS Area Based Schemes funding to rural authorities this year than in 2013/14. The remaining £19 million is allocated to support our national schemes (£16 million for the Energy Assistance Scheme and £3 million for consumer advice and support). The Energy Assistance Scheme provides help and support to vulnerable households across Scotland. We continue to engage with the UK Government to ensure that funding under the Energy Companies Obligation (ECO) is directed to those areas most in need of assistance, including our rural areas.

A range of other sources of support are available. The Green Deal can be used to cover the upfront capital costs of energy efficiency improvements, with repayments made from savings on energy bills. The annual repayments on the loan should not be more than the savings on energy bills. Landlords may also be able to access the Resource Efficient Scotland SME Loan Scheme to finance energy efficiency improvements in tenanted properties where they cannot gain Green Deal finance. Until 6 April 2015 landlords may be eligible to claim an

allowance for the costs of buying and installing energy-saving products, up to a maximum of £1,500 under the UK Government's Landlords Energy Saving Allowance.

Landlords can get free, impartial advice on how to improve the energy efficiency of their tenanted properties. Scottish Government provide this support through funding to the Energy Saving Trust who can provide expert advice on how to save energy and money in the home.

We plan to consult in spring 2015 on draft regulations that would set minimum standards for energy efficiency for private sector homes, subject to development of options through our work with external stakeholders. The consultation will include questions on the level of regulation and the sector it will apply to.

Hydrogen vehicles and opportunities in the North of Scotland

Scotland has an emerging and dynamic hydrogen and fuel cell sector, including world-leading R&D in our universities. A number of Scotland's universities, including Dundee and the UHI are members of the Scottish Hydrogen and Fuel Cell Association (SHFCA), the largest and most active hydrogen association in Europe. The Scottish Government, Transport Scotland, Scottish Enterprise and HIE engage regularly with SHFCA about the role hydrogen and fuel cells could play in Scotland's future energy and transport system.

Aberdeen City Council's hydrogen (H₂) bus project is now well advanced, with Scottish Ministers a key funder. Ten state of the art zero emission fuel cell buses have been delivered; a temporary hydrogen supply has been established for vehicle trials and training; and a permanent H₂ refueller site is under construction. The council are also working with Transport Scotland on plans for an additional production and refuelling station for the city, as well as plans for deployment of a fleet of smaller hydrogen-fuelled vehicles. This will create the first hydrogen transport hub outwith London, and perhaps most significantly, the first commercial-scale green hydrogen production facility in the UK (the London stations use fossil-fuel derived "brown hydrogen").

In addition to the buses, two diesel/hydrogen hybrid transit vans for Aberdeen City Council's own fleet are already in service. Some zero emission hybrid battery/hydrogen "HyKangoo" small vans will be joining these in 2015. Refuelling facilities will be publicly accessible and allow operation of additional hydrogen vehicles in the north east, as these start to appear.

At a national level, Transport Scotland has been active in hydrogen initiatives via membership of the UKH₂ Mobility Coalition, and the European "HyER" organisation. The European Fuel Cell and Hydrogen Joint Undertaking (FCH-JU) is currently running an initiative funding a detailed study of introducing a 100-strong fleet of H₂ fuel cell buses across a European region, such as Scotland. The Scottish Cities Alliance (SCA), Transport Scotland and bus operators are now engaging with this.

Evaluation of the Farming For a Better Climate monitor farms

Evidence of the impact of Farming For a Better Climate (FFBC) measures on the environmental and financial performance of farms has been demonstrated through the FFBC Focus Farm programme. For our first round of Climate Change Focus Farmers from 2010 to 2013, we worked with four volunteers. On average, the farms reduced their carbon footprint by 10% with no loss of production. Savings ranged from £11,000 to £37,000 with additional financial savings and carbon savings likely in the future as measures continue to take effect. Following on from this success, additional funding has been provided to increase the number

of Focus Farms participating in the second round of the programme from 4 to 8, to allow greater geographical coverage and enable more farmers to attend demonstrations.

Monitoring of uptake of nitrogen efficiency measures

We are currently seeking to achieve 90% uptake of nitrogen fertiliser efficiency measures and have been working to gather information from different sources to improve our understanding of the uptake of these measures across Scotland. In 2013, the Scottish Government undertook a formal data gathering exercise on uptake of a range of FFBC measures, including fertiliser efficiency measures, through a national survey. Further analytical work is taking place to refine our assumptions on uptake of these measures. The information we are gathering will be used to develop a monitoring framework and help inform our decision on whether regulation is necessary.

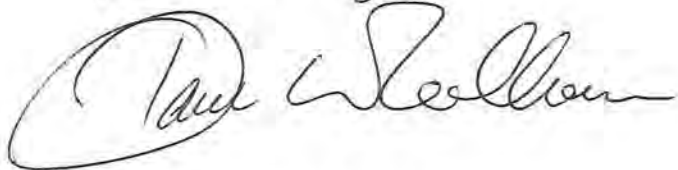
Consideration has been given to using mechanisms under the European Union Common Agricultural Policy (CAP) to introduce mandatory emission reduction measures, in particular nitrogen fertiliser efficiency measures. We intend to use a national certification scheme from 2016 to deliver the Greening element of CAP Pillar One. We will seek approval from the European Commission (EC) to require farmers to have a nutrient management plan for permanent grassland. Due to EC rules this requirement can only be applied to permanent grassland, therefore consideration is now being given to how equivalent regulation might be implemented for other types of agricultural land in Scotland.

Carbon audits on farms

The provision of Carbon Audits as part of the Scottish Agriculture and Forestry Rural Advisory Service (SAFRAS) will involve access to and use of carbon calculator software to assess the carbon footprint of farm business enterprises and the provision of specialist advice on climate change aimed at reducing carbon footprint. We are aiming for this to be available from 2016. Many produce buyers and retailers are asking farmers and growers to demonstrate their green credentials. There are clear financial, environmental and reputational advantages to monitoring and reducing carbon footprint.

We anticipate that the uptake of carbon audits, once introduced, will be high. Uptake in initial years will be closely monitored in order to inform any decision on a mandatory approach. Similar to the nitrogen efficiency measures, consideration is being given as to how regulation might be implemented in Scotland if voluntary uptake is less than anticipated.

Kindest regards



PAUL WHEELHOUSE

