

Renewable Energy Investment Fund Launched

Energy Minister Fergus Ewing has today announced a new £103 million investment fund which will drive the growth of renewable energy in Scotland for generations.

The Renewable Energy Investment Fund (REIF) will initially focus on supporting communities and rural businesses to develop their own local renewable projects, on supporting district heating, and on supporting wave and tidal developers with the development and deployment of array projects.

The fund will seek to leverage additional finance from other sources, and will be designed to have a legacy for many years to come as the money is repaid and reinvested.

The funding is in addition to the £200 million already committed by the Scottish Government in the Spending Review over the next three years, which includes funding to improve renewables infrastructure.

The REIF will complement funding from the Green Investment Bank (GIB), which has also received a funding boost from the Fossil Fuel Levy in Scotland. While the GIB is designed for projects at a “near commercial” stage, the REIF will be used to support projects at an earlier stage of development.

Alongside the REIF, Mr Ewing also announced a further £2 million support for community renewables for 2012-13. This is to build on the existing Community and Renewable Energy Scheme (CARES) while arrangements are made to support community projects through REIF.

Energy Minister Fergus Ewing said:

“This £103 million Renewable Energy Investment Fund will allow

communities all over Scotland to reap the benefits of our green energy revolution.

“Scotland has astounding green energy potential and vast natural resources, and we have a responsibility to make sure our nation seizes this opportunity to create tens of thousands of new jobs and secure billions of pounds of investment in our economy.

“This fund will help us make the most of our potential. Some have called on us to increase funding for marine technologies – this fund does that, demonstrates our commitment to marine and will ensure marine renewable projects become commercial realities. It will help ensure district heating is rolled out throughout Scotland, and will support communities developing their own local renewables projects.

“The fund will not replicate existing grant and loan support. Instead, it will focus on investment by offering new and innovative instruments which complement existing funding routes.

“That is what this fund is all about – investing money from the technologies of the past to secure our energy future.”

Commenting on today’s announcement that the Scottish Government is to create a £103m Renewable Energy Investment Fund using money obtained from the Fossil Fuel Levy, Stan Blackley, Chief Executive of Friends of the Earth Scotland, said:

“Renewables are the only genuinely sustainable solution to our energy problems. Its therefore very welcome that, only a day after the UK Government announced shocking tax breaks for the bloated and polluting oil and gas sector, the Scottish Government is rightly prioritising investment in clean and renewable energy technologies.

“The focus on community scale and community-owned renewables

is particularly welcome. Community renewables bring multiple benefits, not only reducing carbon emissions, but bringing direct financial benefits that can be used to regenerate communities and help those most in need. In fact, when income received by communities from their own renewables are then reinvested in measures such as waste reduction, community transport or home insulation, they can have a double positive effect for both the community and the environment.

“While geographical communities are clearly important and should benefit from this fund, so too should other not-for-profit organisations that may be classed as communities of interest, such as cooperatives, credit unions and non-governmental organisations. While these groups may not represent geographical areas, they still represent a large number of Scots who may wish to support renewable energy projects.”

Responding to today’s announcement by SNP Energy Minister Fergus Ewing about plans to spend the £103million Fossil Fuel Levy, Scottish Green MSP Patrick Harvie said:

“It took long enough to get access to the Fossil Fuel Levy funds, so it’s important that the Scottish Government now puts them to work as soon as possible.

“The emphasis on community renewables is very welcome, because the clean energy revolution in Scotland needn’t be a choice between the multinationals and the climate deniers. This agenda is one which should benefit all of Scotland, and a strong community renewables sector will achieve that.”