

Fergus Ewing raises threat to renewables with UK Government



Minister raises grave concerns in letter to Ed Davey.

Scotland's Energy Minister, Fergus Ewing, has warned that the UK Government's Electricity Market Reform proposals could undermine Scotland's renewables sector and supply chain, while threatening security of supply across the UK, and further price increases on consumers bills as a result.

In a letter to Secretary of State Ed Davey, Mr Ewing has highlighted the threat which the current proposals pose to Scotland and the UK's shared renewables ambitions. This warning extends to concerns – also raised by Ofgem and the National Grid – about the ever tightening gap between maximum generating capacity and peak electricity demand across the UK, and the need to preserve thermal generation in Scotland to help keep the UK's lights on.

Mr Ewing has also challenged Mr Davey to explain a last minute amendment to the UK Energy Bill that will remove the Scottish Government's existing powers and discretion over support for renewable technologies across Scotland. The UK Government's amendment is to be debated by the House of Lords on Monday November 4, 2013.

Mr Ewing said:

“We have examined the UK Government's proposals carefully, discussing them in detail with the industry and other stakeholders. I believe beyond doubt that the current proposals risk failing Scotland and the UK in a number of vital areas, and present a huge risk to UK security of supply as well as to investor confidence and our low carbon

ambitions.

“The Scottish Government will not support an outcome which sacrifices our renewable ambitions in preference to discredited, expensive and imported nuclear technology.

“Nor should thermal generation in Scotland – vital to maintaining grid stability here, and to providing security of supply across the UK – be placed at risk through a failure to take Scottish issues properly into account.

“Both Ofgem and National Grid have expressed deep concern regarding the risks that the UK faces both this winter and in the years ahead due to tightening capacity margins. It would be extremely unwise to ignore the vital and combined contribution of Scotland’s renewable and thermal generation to keeping the lights on across the UK.

“Unless serious and considered steps are taken to address these matters, and which supports investment in thermal generation across the whole of the UK, then the threat of blackouts will crystallise rapidly. The failure to secure a proper margin of capacity over peak demand will inevitably see further price rises on energy bills – resultant from UK energy policy failure over the past decade, as a result of the laws of supply and demand.

“We now know that the UK Government has also proposed a last ditch amendment to the Energy Bill, which will allow UK ministers to close the Renewables Obligation in Scotland. I find it extraordinary that the UK Government has chosen to act in this way, and to strip Scottish Ministers and the Scottish Parliament of their powers and discretion in an area of such vital importance.

“The UK Government has produced this amendment with no consultation or explanation. We are deeply concerned about this summary removal of the Scottish Government’s discretion in an area of such vital importance to our people and economy.

“As a matter of urgency the UK Government must provide a detailed justification for its action.”