

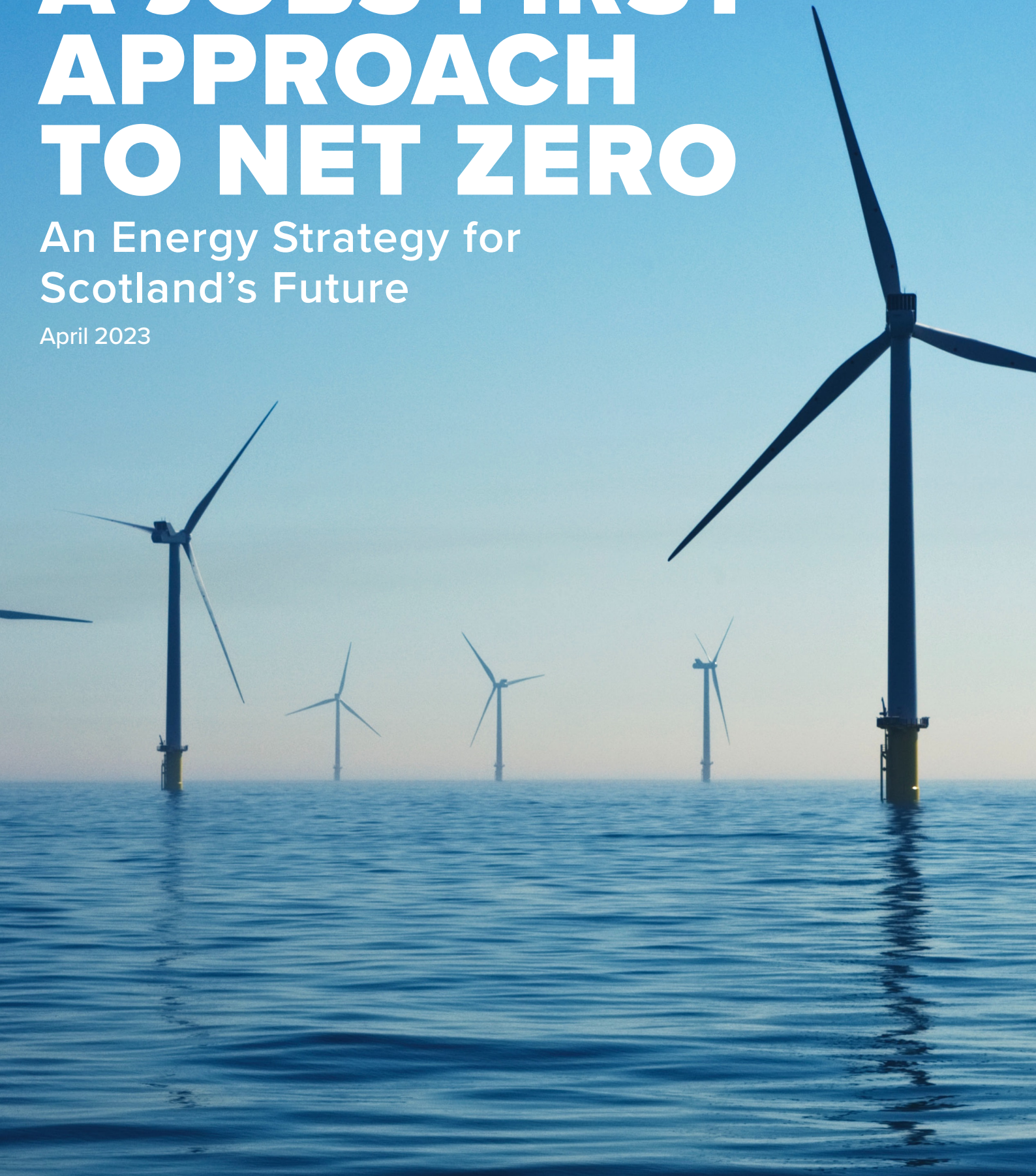
**FOCUSED ON  
SCOTLAND'S  
REAL PRIORITIES**

Scottish  
Conservative  
& Unionist 

# A JOBS FIRST APPROACH TO NET ZERO

An Energy Strategy for  
Scotland's Future

April 2023



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# FOREWORD

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There is broad consensus towards the aim of Scotland achieving net zero by 2045 but there is disagreement about the route to getting there.

The Scottish Conservatives believe in a sensible, practical transition to net zero; one that not only decarbonises, reduces emissions, and moves to clean energy but also stimulates the Scottish economy, looks for fresh opportunities to create new growth and innovate, and crucially protects jobs.

We also firmly believe that, whilst achieving net zero will require lifestyle changes for all of us, excessive costs should not fall upon households. These are government targets and so it is for government to invest and incentivise to help deliver them. Hard-pressed families should not be forced to prematurely purchase expensive green solutions at a time when they may be unable to afford them.

We believe that the public must be given sufficient notice of the imposition of legal targets which will enable transitions to be better planned and budgeted for.

They must also have the flexibility to choose the green technologies that suit their household and not be forced to introduce unsuitable solutions. Government should provide the funding and expertise to ensure that families can adopt green technologies early.

Finally, we believe that it is irresponsible for government to set targets without considering the practical steps by which they will be

delivered. The Scottish Conservatives will set a roadmap to net zero that is achievable and crucially will act rather than simply talk about it.

By working with industry and incentivising rather than punishing families, we can deliver net zero while growing the Scottish economy, protecting jobs, and maximising our energy security. That is the Scottish Conservative approach to our energy transition.

A handwritten signature in black ink, appearing to read 'Liam Kerr'.

**Liam Kerr MSP**  
Shadow Cabinet Secretary  
for Net Zero, Energy and Transport  
Scottish Conservative and Unionist Party

# INTRODUCTION

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Scottish society broadly backs tackling climate change. We have some of the most innovative universities and businesses in the world, and there is cross-party political support for the policy goal of achieving net zero by 2045.

However, Scotland has not been making the progress that it should.

This is primarily due to the SNP Government's preference for announcements, virtue-signalling and empty promises, over practical delivery. Many Scots have realised that senior SNP politicians would prefer a photo opportunity than to recognise and address the fundamental challenges of achieving net zero, with the result that ambitious climate change targets have been set without the practical policies and strategies that would deliver them.

This is obvious in the introduction of a presumption against new oil and gas development in the Draft Energy Strategy and Just Transition Plan. Data shows that demand in the UK for oil and gas will continue for decades.<sup>i</sup> Therefore, the failure to source that locally means that we will offshore our climate responsibilities, expose the UK to double the carbon emissions from LNG imported from Qatar, and cause significant number of jobs to be lost.<sup>ii</sup>

Furthermore, this failure to discuss increasing domestic supply, the carbon emissions from imports, and the importance of protecting energy security, is strategically naive and fails to take responsibility for our long-term energy needs. Scotland cannot become so dependent upon unreliable renewable technologies that there are concerns about keeping the lights on, that supplies are required from hostile states, and that we contribute to human suffering through the global renewables supply chain.

That is why the Scottish Conservatives have published 'A Jobs First Approach to Net Zero' to start a national conversation about how we can practically achieve net zero by 2045, whilst protecting jobs, growing the economy, securing our energy security, and maintaining Scotland and the UK as a centre of excellence in innovation, skills and supply. Our view, backed by the

evidence, is that Scotland's current approach is off-track and that the Scottish Government's current course is putting our economy at risk while failing to prepare the public for the actions our whole country will need to take.

To address all these key issues, we believe that investment must be made in Scottish industries, technologies, and skills, with the ambition of creating a world-leading green workforce.

This policy paper will set out how the Scottish Conservatives believe this can be done.

# KEY RECOMMENDATIONS

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- 1. Establish an independent Office for Net Zero to hold the Scottish Government and public bodies to account for delivering on its climate goals.**
- 2. Pass a Community Energy Benefit Law to enshrine in law rules around community consent for new energy infrastructure and reduce bills locally.**
- 3. Support the continued exploration and production of new fields in the North Sea.**
- 4. Support a new generation of Scottish nuclear power stations.**
- 5. Introduce a new Electric Vehicle (EV) Charging Infrastructure Bill to break down barriers to, and help accelerate the rollout of, EV charging points.**
- 6. Introduce a Help to Renovate Scheme for heat retention and energy efficiency improvements to homes.**
- 7. Create a working definition of ‘Green Jobs’ and set up a national centre for Green Jobs in Aberdeen.**
- 8. Deliver a ‘Jobs First’ transition whereby energy projects are assessed in accordance with the number of jobs they create.**
- 9. Pay the course fees for any oil and gas worker wishing to undertake a course for reskilling into the renewables sectors.**
- 10. Set a national target for the generation of solar energy.**



# BACKGROUND TO THE DRAFT ENERGY STRATEGY AND JUST TRANSITION PLAN

## DRAFT ENERGY STRATEGY AND JUST TRANSITION PLAN

The SNP Government published its long-awaited energy strategy on 10 January 2023. It recognises that uncertainty in global energy markets, including events such as Russia’s illegal invasion of Ukraine, have resulted in high energy prices and had a profound impact for Scotland’s people and businesses.

Within this context, the SNP Government has sought to present their thoughts as to how Scotland’s energy system could achieve net zero by 2045 in a “Draft Energy and Just Transition Plan”.<sup>iii</sup>

It states that its goals are:

- **Supporting a just transition for Scotland’s energy sector workers.**
- **Increasing energy security through the development of our own resources.**
- **Accelerating the decarbonisation of domestic industry, transport, and heat.**
- **Creating additional renewable electricity onshore and offshore.**

There has been considerable concern raised as to the deliverability of the Draft Energy and Just Transition Plan’s position on the oil and gas sector and what it means for a just transition.<sup>iv</sup> It states that:

*“The Scottish Government is consulting on whether, in order to support the fastest possible and most effective just transition, there should be a presumption against new exploration for oil and gas”.<sup>v</sup>*

This presumption against new oil and gas exploration is a divergence from the SNP Government’s previous policy of maximising

economic recovery, most notably seen in the 2013 White Paper on Independence which said that “An independent Scotland will aim to maximise the safe production of oil and gas from the fields off Scotland’s shores, with a stable and predictable fiscal regime.”<sup>vi</sup> This shift away from supporting Scotland’s oil and gas industry has been exacerbated by the SNP’s coalition with the Greens.

This shift has led to condemnation from industry, and even SNP MPs and MSPs, who see these vital resources as critical for securing Scotland



and Europe’s energy future. For example, Russell Borthwick, Chief Executive of Aberdeen and Grampian Chamber of Commerce has said,

“This is still a breath-taking betrayal of one of Scotland’s biggest industries”.<sup>vii</sup>

Industry body Offshore Energies UK (OEUK) said it was “concerned at the statement’s suggestion of accelerating the decline in oil and gas production”.<sup>viii</sup>

The Labour Party has also changed its approach and have swung firmly behind the SNP and the Scottish Greens ambition to prematurely terminate the North Sea oil and gas sector. At the recent World Economic Forum annual meeting in Davos, Labour Party leader Keir Starmer said, “Obviously it will play its part during that transition

but not new investment, not new fields up in the North Sea, because we need to go towards net zero, we need to ensure that renewable energy is where we go next.” OEUK said these comments damaged investor confidence.<sup>ix</sup>

This may only be a draft strategy, however there are many high-profile supporters within the SNP-Green Government, including the former Net Zero, Energy, and Transport Cabinet Secretary, Michael Matheson, the former First Minister Nicola Sturgeon, and new First Minister, Humza Yousaf, who see this presumption as necessary for tackling the climate emergency. The justification



given by the strategy is the statement by the Climate Change Committee (CCC), a UK statutory body established under the Climate Change Act 2008, to monitor progress and advise on emissions targets. They said,

*“The CCC would support a tighter limit on production, with stringent tests and a presumption against exploration.”<sup>x</sup>*

However, the Government’s strategy fails to give sufficient consideration to the further thoughts of the CCC when they state that “there are additional important considerations, such as on energy security, that extend beyond the CCC’s statutory remit”.

Furthermore, the strategy makes the bold claim that ‘green jobs’ will increase from 19,000 to 77,000 by 2050. However, the SNP Government has failed to define a ‘green’ job and provides no clear plan for how these jobs will be created.

Such a plan is essential to any energy strategy, as a just transition is not guaranteed. Jobs in renewable industries may not be in the same communities as the oil and gas sector or

command similar remuneration. If Scotland is to move away from oil and gas over the long-term, and protect jobs, then there must be sufficient well-paid, local employment in the green economy.

The feedback from the Energy Sector Workers Survey referenced in the strategy recognises these concerns.<sup>xi</sup> The survey received 900 responses and energy sector workers were asked to provide their views on the net zero transition. It found that many workers were unaware of the term “just transition” and that “respondents tended to express low confidence in a just transition for the sector.” Unsurprisingly, oil and gas workers tended to have a negative view of transition, while renewable workers tended to have a positive view.

Several barriers were also identified to transitioning into green jobs. These included not being able to find a role on equivalent pay, and a lack of information around retraining and job opportunities. It was also noted that these challenges could be overcome with improved support, through financial help for retraining, to help workers match their skillsets with potential new opportunities. However, the reality is that if oil and gas workers cannot be convinced that they can acquire a well-paid green job, then there will be no just transition.

Finally, the strategy reiterated the SNP-Green Government’s firm opposition to building new nuclear power stations under current technologies. This includes small modular reactors (SMRs), on the grounds they use the same fission technology found in larger power stations. Additionally, nuclear power stations based on fusion technology were deemed to be in their infancy. Scottish Conservatives believe this shows a lack of vision for these innovative and emerging technologies. Government’s role should support innovative technologies to ensure that they will become both commercially viable and deliver significant reductions in carbon emissions compared to older technologies.

## ENERGY SYSTEM AND JUST TRANSITION – INDEPENDENT ANALYSIS

These issues set out above represent only a small number of our concerns with the SNP’s deeply flawed Energy Strategy. Notably however, the Scottish Government’s own independent analysis also suggests that the SNP must rethink this approach.

The Scottish Government contracted Ernst & Young (EY) to conduct an independent analysis of the Draft Energy Strategy and Just Transition Plan.<sup>xii</sup> EY established an independent academic panel to provide an impartial challenge and to advise Scottish Government officials. This included renowned energy transition experts Professor Paul de Leeuw (Robert Gordon University), and Professor Mairi Spowage (Fraser of Allander Institute).

In its approach to high-level economics, the independent analysis found that the oil and gas sector is a significant part of the Scottish economy, accounting for 9 per cent of total Scottish 2019 GDP. It is estimated to support 57,000 direct and indirect jobs in Scotland and is responsible for £16bn of gross value add (GVA). Notably, the oil and gas sector provide high value jobs with the average wage of a direct job paying £88,000, and £51,000 for a role in the supply chain. Both pay grades are significantly above the £29,000 average Scottish wage. As many of the jobs were found to be in the North East, the analysis concluded that the region would be affected “more markedly” by the sector’s decline.

With this strong economic impact, the final published report warned about the current pace of transition. It explained that the forecasted levels of Scottish oil and gas production decline are “steeper than the decline required” to keep temperature rises below 1.5 per cent - the target set out by the Paris Agreement. Similarly, it argued that accelerating the decline in Scotland’s North Sea production would not necessarily reduce global emissions at the same speed, and gave two reasons:

1. **The North Sea is a lower emitting basin than the global average.** Any sudden reduction in production could open capacity in the global market for higher-emitting basins to produce more.
2. **Any sudden reduction is more likely to increase Scottish oil and gas imports.**

The report also acknowledged that there is still a strong demand for oil and gas products and that moving away from this position will be challenging. For example, it noted that space



heating, transport and industry are highly dependent on oil and gas and that the transition to low carbon options “will not be straightforward” and “will require significant government support”.

Finally, the most startling statistic from the report was that Scotland’s declining oil and gas sector will result in substantial economic loss. It found that although green jobs will continue to grow, the GVA created from both oil and gas and low carbon jobs will reduce by £7 billion, from £19 billion in 2019 to £12 billion in 2050. For all the economic and practical reasons outlined, the report concluded that:

*“Scotland will need to carefully manage the decline in O&G alongside the growth of the new low carbon sector to minimise any negative impacts of transition on society and the economy”.*



# OUR FIVE SCOTTISH CONSERVATIVE PRINCIPLES ON NET ZERO

There are five defining principles that have influenced the development of our strategy:

**Firstly, we believe hard-pressed families should not have to pay the costs of net zero.** Most Scots believe that climate change is real,<sup>xiii</sup> that human activities are impacting the planet, and that government, people and businesses must take steps to improve our environment and help mitigate the effects of climate change, which include increased rainfall, rising sea levels, and warmer temperatures.<sup>xiv</sup> In short, a societal consensus exists around achieving net zero by 2045.

However, if the financial burden on households is



too great, and if an uncoordinated urban-centric approach is taken to how households spend their already stretched budgets, it is likely that there will be a low uptake of “green” initiatives. The SNP and the Greens have already experienced this with their £400,000 cycling scheme that only provided three loans.<sup>xv</sup> Therefore, to achieve net zero, Government will be required to incentivise households to adopt “green” solutions.

**Secondly, we believe in protecting Scottish jobs and our energy security.** The North Sea is a valuable resource for Scotland, the UK, and the whole of Europe. At a time when Russia’s war in the Ukraine has led to increased energy prices, it is important that we take advantage of our domestic oil and gas resources to meet our energy demands, reduce our reliance on hostile states, and protect Scottish jobs. Prioritising domestic oil and gas production is the best way to ensure the

North Sea has a prosperous future and that the transition to renewables is indeed just.

We also believe in diversifying our energy supply by supporting the development of sectors such as nuclear and solar. This will involve providing certainty for businesses within these supply chains, enabling them to create the high-value jobs that will support energy transition, and collaborating with them and educational establishments to train a generation of green workers. This will be vital for ensuring the supply chain stays within Scotland and that we have a world-leading green energy sector.

**Thirdly, reducing energy demand will deliver savings for families.** Countries across Europe have responded differently to the global energy crisis, partly based on their varying levels of exposure to Russian gas. For this reason, many European countries have already focused on how they can reduce their energy demands – something that has sadly been lacking from Scotland’s energy debate. We believe that we must introduce measures that reduce energy consumption, including at home, within business sectors, or in public places.<sup>xvi</sup>

**Fourthly, delivering net zero and driving economic growth can happen at the same time.** A key misconception about achieving net zero is that it is about doing less (i.e., shutting down oil pipelines and banning cars). However, we believe it is about doing more: being more innovative, installing the required infrastructure, and training a new generation of green workers. All of this will help us deliver net zero and ensure that Scotland becomes a more prosperous country.

**Fifthly, this is a global climate crisis - we must not offshore emissions to achieve targets.** Scotland must become a responsible global partner in the fight against climate change. This means being held accountable for carbon emissions, not just in Scotland, but wherever they are produced in the world. We must also be aware of the renewables supply chain, including, for example, human rights concerns in mining minerals for green solutions, as well as poor environmental practices. Notably, Scotland has seen increased carbon emissions, with much of this from imported goods and services.<sup>xvii</sup> We must reverse this trend.

# THE SCOTTISH CONSERVATIVES' REAL PRIORITIES FOR A JUST TRANSITION

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This strategy sets out four priorities. These are:

- **Increasing our supply to ensure our energy security**
- **Reducing our demand and bills for businesses and families**
- **Investing in skills to deliver our transition**
- **Delivering a real transition to net zero by 2045**

Each of these priorities contain a set of recommendations. The Scottish Conservatives believe these provide a practical roadmap for achieving net zero by 2045 and a just transition.

## **PRIORITY 1: INCREASING OUR SUPPLY TO ENSURE OUR ENERGY SECURITY**

Russia's war on the Ukraine has caused many European countries to diversify their energy supply and move away from Russian oil and gas.<sup>xviii</sup> For example, Germany has made significant strides to move away from its well-known reliance on Russian gas by delaying the closure of nuclear power plants and re-opening coal-fired power stations.<sup>xix</sup>

In the UK, we are far less exposed to Russian oil and gas. In 2021, imports from Russia made up four per cent of gas and nine per cent of oil used in the UK.<sup>xx</sup> The UK Government committed to ending imports of oil and coal from Russia by the end of 2022 year and banned Russian gas from 1 January 2023. This change in approach meant that in the month of January 2023, the UK imported no coal, oil, or gas from Russia.<sup>xxi</sup>

Despite not relying on Russian imports, the UK's demand for oil and gas has increased by nine per cent and four per cent, respectively. Increased oil demand has been driven by the transport sector, while increased gas use has been driven by electricity generation.<sup>xxii</sup> This has required the UK to explore alternative sources of oil and gas, such as oil products from the Netherlands, Belgium, the Gulf, and India, and gas products from the USA,

Peru, and Qatar.<sup>xxiii</sup> We are now importing six times more Liquefied Natural Gas (LNG) than in 2021.

We therefore need a greater focus on increasing domestic energy production.

This can partly be achieved by enhancing the rights of communities and actively involving them in energy projects rather than having developments imposed upon them without their consent. Project developers will need to consider the legitimate concerns of local communities and ensure that projects incorporate their needs. Examples include the visual impact a project will have on the landscape, or the significance a specific site holds. They must be consulted throughout the planning process. A shared sense of ownership must also be achieved to encourage community acceptance, including seeing communities benefit directly from schemes.

Breaking down these barriers alone will not lead to greater diversity in our domestic energy production. We must stimulate the development of a broad range of energy technologies and support their implementation across Scotland.

Solar energy, for example, is a flexible energy source that can encourage individuals to take responsibility for their own energy security, reduce their energy bills, or even earn income. In Norway, around 40 MW of new solar power was installed in 2020, which is about 350 panels per day. Solar panels have been deployed as an electricity source for rural properties.<sup>xxiv</sup> By contrast, in the Netherlands, there has been success implementing rooftop solar panels in residential areas. And as a result, they have increased electricity generated from solar which increased from one per cent in 2015 to fourteen per cent in 2022.<sup>xxv</sup>

Incorporating solar is important for providing greater diversity as Scotland cannot be solely reliant on wind power generation. It is also a green energy solution that the public can realistically introduce into their own homes and gain benefits, whether they live in rural areas or urban areas.

There are other renewable technologies that need support, from hydrogen networks and pumped-storage plants to new nuclear technologies. We must choose strategically and ensure sufficient Scottish industry and people are at the forefront.

There is a strong argument that we must increase domestic production, including oil and gas production, diversify our energy mix, and explore the latest in renewable technologies. We have set out several proposals that we believe will reduce our dependence on imports from abroad and improve our energy security.

### Recommendations to secure our energy supply

- **Oppose the early end of our oil and gas sector and support the continued exploration and production from new fields.** The North Sea still has untapped fields that can be used to meet our energy demands, as well as provide vital jobs for the North and the whole of Scotland. It is better not to import oil and gas products from countries with poor pollution, and health and safety records. Scotland must take a holistic approach to its impact on the planet and should not be offshoring its emissions elsewhere.
- **Urge the UK and Scottish governments to support the delivery of a Scottish CCUS network to offset emissions.** Scotland is well placed to capitalise on carbon capture, utilisation and storage (CCUS) due to legacy oil and gas infrastructure. Its introduction would help to reduce the carbon emissions from large scale, energy intensive processes, and move us one step closer to net zero. The Scottish Government's own analysis has found it could lead to Scottish GDP being up to 2.3 per cent higher by 2045.<sup>xxvi</sup>

We believe Acorn is an excellent example of a CCUS project. The UK Government has already provided over £40 million in development funding to the Acorn project.<sup>xxvii</sup> It has also confirmed that the project is a leading contender for Track-2 funding.<sup>xxviii</sup> We urge the SNP Government to provide the £80 million that it promised to the project.<sup>xxix</sup>

- **Support the delivery of a new generation of nuclear capacity.** This safe, clean, reliable power source is expected to provide up to around 25 per cent of the UK's projected

electricity demand.<sup>xxx</sup> Historically, through projects such as Dounreay,<sup>xxxi</sup> Scotland has played an important role in the nuclear sector and in 2022 it was found to support 3,664 workers.<sup>xxxii</sup> The SNP Government and the Scottish Greens have been accused of abandoning these workers by the GMB Union after failing to bid for the new fleet of small modular reactors (SMRs) being built by Rolls Royce.<sup>xxxiii</sup> We believe that this failure to support nuclear is misguided and that Scotland should continue its proud nuclear history and support these highly skilled workers to develop a new generation of low carbon, nuclear technologies.

- **A Community Energy Benefit Bill to enshrine in law rules around community consent for new energy infrastructure.** It is right that local communities should share in the economic benefits of energy projects and to be compensated for the inconvenience that may be experienced during development and beyond. The Bill will cover onshore wind development and other forms of energy generation.



Introducing this will be beneficial for both developers and local communities. For developers, it would provide a standard legal process for the whole of Scotland, rather than the current mixed picture where community benefit is often led by guidance produced by each local council, whilst local communities will have rights that ensure greater levels of consultation and a guaranteed financial payment. Indeed, this latter right will have provisions that consider changing economic circumstances and will be linked to the Consumer Price Index (CPI).

The Bill will also explore whether to guarantee that decisions are taken locally such that Central

Government might be excluded from taking a decision on an energy project that has been overwhelmingly rejected by a local community.

Through empowering communities in this way, we believe that local communities and developers will be able to come to mutually beneficial agreements. This, in turn, will result in more new energy projects being approved, creating vital jobs, often in rural areas and increasing energy generation across the country.

- **Set a national target for the generation of solar energy.** Solar energy has been overlooked by the SNP Government - who failed to set a national target for solar energy generation, even though there is one for offshore wind. One such benefit of encouraging the use of solar energy is the variety of locations they can be installed from large scale farms to land already owned by businesses and households. This provides an opportunity for everyone to contribute to a greener Scotland. To stimulate this sector, we propose that an initial 4GW target for solar power capacity be established. This would provide market confidence for businesses to train and invest in staff, supply chain and growth.
- **Invest in Scotland's natural batteries, such as pumped-storage hydroelectric plants, to regulate the flow of renewable power.** Natural batteries have the potential to help Scotland store the vast amounts of energy it creates. Industry experts believe that this is a proven technology, which has suffered from underinvestment. A long-term view must be taken to prioritise investment in these critical energy projects and ensure that Scotland has the necessary storage capacity.
- **Invest in a green hydrogen network for storage and exporting.** Several countries have introduced policies that directly support investment in hydrogen technologies, which can be helpful in decarbonising industry sectors such as transport. Green hydrogen can provide opportunities to create new businesses and highly skilled green jobs. We believe that a world-leading Scottish green hydrogen industry would benefit from the estimated \$300 billion per year global market.<sup>xxxiv</sup>

## **PRIORITY 2: REDUCING OUR DEMAND AND BILLS FOR BUSINESSES AND FAMILIES**

Energy reduction, particularly from fossil fuels, is one of the main ways that countries can contribute to the global fight against climate change. It also helps households reduce bills, allows businesses to improve their economic productivity, and ensures that countries improve their energy security.<sup>xxxv</sup>

Historically energy reduction policies have been limited as countries have made links between increased energy consumption and increased wealth.<sup>xxxvi</sup>

Yet several countries have managed to decouple economic growth from energy consumption, including France, Switzerland, Sweden, Denmark, and the UK.<sup>xxxvii</sup> In the UK, the Clean Air Acts of 1956 and 1968 shifted society towards cleaner energy sources, reducing the amount of smoke pollution and carbon emissions. By 1985, the UK started to see the divergence of economic growth and energy consumption. The Office of National Statistics (ONS) found that between 1985 and 2016 GDP per head grew by 70.7 per cent while carbon emissions declined by 34.2 per cent during the same period.<sup>xxxviii</sup>

There is no reason why the UK cannot continue this trend of increasing economic prosperity and reducing carbon emissions. This can be achieved by encouraging every part of society to become more energy efficient, reduce fossil fuel use, and make use of new and emerging technologies. Decarbonising buildings and the transport sector would significantly reduce energy demand.

In Scotland, many households want to make their homes more energy efficient but lack the financial resources. For example, those living in tenement flats in cities or in off-grid properties in rural areas are more likely to have poorly insulated homes. These can be technically challenging and expensive to insulate.

Similarly, businesses are often keen to improve the energy efficiency of their buildings but face several cost pressures and are reluctant, in a cost-of-living crisis, to pass this on to customers. In both these cases, direct financial support would provide encouragement to invest in energy efficiency projects.

Germany has been able to go further than most and implement innovative energy reduction policies.<sup>xxxix</sup> For instance, the German government has introduced policies that reduce energy use in public buildings, including limits to office temperatures, monuments and other public buildings are not illuminated at night. They have also asked retail businesses to ensure doors are closed and have limited illuminated advertising overnight. Since these measures were adopted, Germany has reduced gas consumption by between 20 per cent and 37 per cent.<sup>xl</sup>



The transport sector would also benefit from policies that reduce carbon emissions and transition road users away from fossil fuels. This includes policies aimed at tackling the condition of the road itself. Evidence suggests that road repairs help drivers use less fuel and reduce carbon emissions, and that simple preventative maintenance of a thin overlay of liquid asphalt could reduce carbon emissions by 2 per cent, compared to untreated roads.<sup>xli</sup> Even factoring in the carbon emissions required to maintain and repair roads, there is an overall reduction in emissions.<sup>xlii</sup>

However, the main challenge is to encourage people to transition to electric vehicles. The Climate Change Committee's progress report warned that Scotland is behind the rest of the UK in terms of sales of electric vehicles.<sup>xliii</sup> There are approximately 50,000 electric vehicles in Scotland – just two per cent of all vehicles in the nation's roads.

A primary reason for this poor uptake is the lack of available charging points. There are approximately 2,400 charging points installed across Scotland, but these are insufficiently widely distributed and often ignore rural communities. Only 28 charging points were

installed between June 2021 to May 2022 in the North-East, a region stretching from Fraserburgh to Dundee.<sup>xliiv</sup> Furthermore, research by the RAC found that being able to charge their cars at home is a major appeal for over half of potential electric vehicle owners.<sup>xliv</sup>

There is also concern about the cost and reliability of charging points. Consumers often face differing charging costs between local council areas, which, alongside the tariffs, can cause uncertainty. A BBC investigation also found that one in four electric charging points were faulty.<sup>xlvi</sup>

If we effectively decarbonise buildings and the transport sector then significant progress can be made reducing our overall energy demand and supporting our energy transition. The proposals below set out how this can be achieved in practice.

#### Recommendations to reduce demand and bills

- **A Community Energy Benefit Bill to place an obligation on councils to negotiate an energy rebate for households.** This rebate would be given to all households in the immediate vicinity of a site used for energy generation (windfarm, nuclear power station, etc). It would be paid out from the Community Energy Benefit fund agreed with the developer and administered by the local council through the council tax rebate system. A similar approach has been taken by the UK Government to support vulnerable households with rising energy bills.<sup>xlvii</sup>

These deals would be renewed every ten years. Local councils would also be provided with sufficient support and expertise from central government to enter commercial negotiations where necessary.

- **A Help to Renovate Scheme for heat retention and energy efficiency improvements to homes.** This would cover a broad range of improvements such as the installation of heat pumps (where appropriate), insulation, and upgrading from single to double-glazed windows. The funding could also be used for smaller improvements, such as smart meters that allow people to keep track of their energy use more easily.

- **The phasing out of gas boilers would be delayed until 2030 to ensure the public can plan and government can run a proper awareness campaign.** The SNP Government has decided to push forward with a ban on new gas boilers by 2025 but the reality is that most of the public are not aware of this. This will lead to a lack of compliance and members of the public will still be buying gas boilers post 2025. This has been the case with the SNP's legislation on interlinked smoke detectors, where only a quarter of Scottish councils fully comply.<sup>xlviii</sup>

We will push this date out significantly to ensure a high-profile awareness campaign makes sure the public is fully aware and that there is an orderly transition. We also recognise that gas boilers may benefit from repurposing using a gas/hydrogen mix which may allow householders to reduce emissions without the considerable cost of replacing gas boilers with alternatives. Furthermore, those living off-grid are likely to incur greater expense in transitioning to greener solutions to their homes and thus we need to explore alternatives for those living off-grid to use biofuels for example.

- **Raise the entry threshold for liability to business rates for businesses that install renewable energy generators.** This would include a range of renewable energy options, particularly solar and wind regeneration. It would also provide a financial incentive for businesses to invest in renewable energy and would reduce their carbon emissions and save them money in the long run.
- **Incentivise businesses through the business rates system for implementing upgrades relating to improving the energy efficiency of a property.** This would include a broad range of improvements, such as installing greener boilers, insulation, and machinery or equipment directly related to their business activities. It is believed this would make businesses more sustainable, reduce their costs, and stimulate green industries, which would lead to further job creation.
- **A short-term pilot scheme based on the German model to reduce energy demand.** This is based on the approach taken in Germany – detailed earlier - where a significant number of measures have been introduced to reduce

demand and compensate for the loss of Russian gas.

- **A Pothole Action Fund to improve road maintenance and ensure fewer emissions from car journeys.** This central government fund would distribute additional financial resources to the worst affected local councils to pay for road repair and fix potholes.



- **Set a 2035 date for all residential properties to reach EPC-C.** Although many believe that EPCs are a rather blunt tool and fail to provide any information on the actual energy use of a building, they are the main measure used at present and can be used to improve energy efficiency in homes and monitor our progress towards net zero. Aiming for this will also help to bring down household bills. We believe that 2035, where technically and legal feasible and cost-effective, is a more realistic goal than the Scottish Government's 2033 date. However, we also believe the EPC system should be subject to constant evaluation and improvement with a view to implementing a more precise and sophisticated system as such becomes available.
- **A new Electric Vehicle (EV) Charging Infrastructure Bill would help accelerate rollout of charging points.** The transition from fossil fuel-based cars to electric vehicles must happen at a rapid pace. We must support this by increasing the number of charging points rolled out across Scotland, including rural communities.

This new legislation would incorporate several areas to boost the installation and utilisation of electric charging points. It would include guaranteeing households access to local

electric vehicle charging points, require local councils to set a standard charging rate across their authority, mandate that new residential and commercial developments must include electric charging points, and incentivise the development of ‘electric charging hubs’ by requiring local councils to introduce permitted development rights for designated zones and providing business rate reductions for those who want to invest.

### **PRIORITY 3: INVESTING IN SKILLS TO DELIVER OUR TRANSITION**

The ability to deliver net zero will rest upon the skills and ingenuity of Scottish workers. Government must invest in our people and provide the opportunities for people to invest in themselves. People need the chance to train, reskill, and create businesses that develop world-leading new technologies, and move Scotland towards a greener future. There will be no just transition unless these opportunities are created.

Governments across the world are all pitching to be a green energy world leader. The United States has passed the Inflation Reduction Act which includes \$394 billion in energy and climate funding in the form of tax credits.<sup>xlix</sup> Similarly, the European Commission has recently unveiled its Net-Zero Industry Act, designed to boost Europe’s green industry by ensuring that at least 40 per cent of the European Union’s demand for green technology is made domestically by 2030.

In contrast the SNP Government has failed to introduce basic practical policies and has no strategy to create the workforce we will need. There is currently no working definition of ‘Green Jobs’ and they have provided no concrete strategy to transition workers from fossil fuels energy generation to the renewables sector.

There is also a need to encourage young people into green careers. Many young people across Scotland learn about climate change and its impacts on the environment at school and through showing them the innovations, opportunities and future of green technologies, they can be encouraged to be part of the solution.

Government must also introduce policies that incentivise business to create a highly skilled workforce. This will help to develop our green

industries and create a flourishing green export market. Like all industries, first-mover advantage will be incredibly important for establishing Scotland as the leading authority on green technologies. The proposals below will allow us to expand our skills base, create training capabilities, and lead to substantial job creation.

#### **Recommendations to deliver skills**

- **The creation of a working definition of ‘Green Jobs’ and a national centre for Green Jobs in Aberdeen.** We would commission work to create a definition of ‘Green jobs’ to help accurately determine the size of the market. A National Centre for Excellence for Green Jobs would be also created in Aberdeen. This was the natural choice as the home of the oil and gas sector and the just transition.
- **Funding would be provided for any oil and gas worker wishing to undertake a course for reskilling into the renewables sectors.** Finances should not act as a barrier and therefore we believe that course fees should be paid for any oil and gas worker wishing to reskill and move into the renewables sector. This should be regardless of if they have already earned a degree. This guaranteed funding will also provide an incentive for colleges, universities, and training providers to expand their current courses, or develop new ones, to cater for those wishing to change into a green career.
- **The energy sector must be given a prominent role in the Scottish education system to encourage new entrants.** The sector itself does an excellent job at reaching out to local communities and schools, but more can be done to formalise these activities. This could include providing energy-related college courses to pupils, like other vocational courses already part of the curriculum, along with energy-focused projects, and career events that help young people understand the sector and what it has to offer. This could encourage more young people studying science, technology, engineering, and mathematics (STEM) subjects to move into green careers.
- **A ‘Jobs First’ transition whereby energy projects are assessed in accordance with the number of jobs they create.** We believe that assessments made on energy projects must

prioritise the creation of new jobs. This 'Jobs First' requirement will be embedded across government, including in the planning system.

## **PRIORITY 4: DELIVERING A REAL TRANSITION TO NET ZERO BY 2045**

A significant failure of the SNP-Green Government has been its inability to deliver on net zero targets. This includes failing to meet their own legally set emissions targets three years in a row, failing to meet seven out of eleven key sector targets, and failing to meet 11 out of 20 Aichi targets on preventing species extinction.<sup>i</sup> As the Climate Change Committee (CCC) chair, Lord Deben, said after the publication of their damning report into the SNP's net zero progress, *"unless there is a clear movement towards those targets, they are without meaning."*<sup>ii</sup>

The CCC criticised the SNP for their lack of plans and policies to deliver on their targets.<sup>iii</sup> Furthermore, there was also strong criticism of the lack of data and effective monitoring within net zero policy areas, such as in decarbonising the buildings sector. The Fraser of Allander Institute, commissioned by the Scottish government to review the environmental impact of its policies, has been highly critical of governance arrangements.<sup>iiii</sup> This included failures in appraising the social, economic, and climate



impact of their policies and having business cases that were inadequate or missing.

Scottish Conservatives will always be about delivery. In contrast to the current Government, we will be more rigorous and take greater responsibility to deliver net zero by 2045. We must shift away from high hopes and 'magical thinking' to real, pragmatic, deliverable steps

that will reduce air pollution, decarbonise homes, accelerate green industries, and create jobs. The proposals below will set out how a target-focused, accountable, and unified approach can deliver results.

### **Recommendations to deliver net zero**

- **Energy imports must be included when measuring our progress against emissions targets.** At present, carbon emissions from imports do not count towards Scotland's climate targets, including the interim target of a 75 per cent reduction by 2030, the 90 per cent reduction by 2040, and net zero by 2045. These carbon emitting imports include food and clothing products, as well as energy products such as LNG. Recent Scottish Government data has found that between 1998 and 2019 the carbon emissions embedded in these imports have increased by 14.7 per cent.<sup>liv</sup> This is a significant increase during a time when we have been trying to reduce emissions.

We must change our approach and include energy imports in all emissions targets. This will help us to take responsibility for the carbon emissions that we create around the world and ensure that we evaluate our net zero progress in a holistic manner.

- **Improve net zero governance and publish data to enhance transparency and unleash innovation.** The SNP Government has proven incapable when developing and producing net zero policies, creating robust business cases, collecting data, monitoring progress, and assessing the practical impact. It is vital that policy making accounts for all these headings going forward. The Scottish Conservatives would use existing expertise within the civil service, supported by academia and industry, to improve how policy is initially developed and to create innovative methodologies for gathering data and reporting on progress.

Such data should be freely and readily available to enhance transparency and provide a true understanding of Scotland's net zero journey. This would also help innovators understand the fundamental problems in addressing our challenges and would provide a basis for developing new, commercially viable green solutions.



- **Establish an Independent Office for Net Zero.**

The SNP Government has failed to achieve many of the targets that they have set and there have been no real consequences. We would create a new independent body that can hold the government to account and scrutinise our journey to net zero.

They will be sufficiently funded to: audit all public sector bodies to ensure that they are leading by example; monitor the progress of the Scottish Government to ensure it's meeting the targets it sets; respond to government consultations on new strategies and bills; conduct and present broad research on Scotland's net zero efforts; and issue improvement notices when performance of the Scottish Government or public bodies has been below par.

A fine could potentially be issued for severe failures, with all revenues generated being set aside for local climate change projects.

- **Establish a UK Net Zero Conference to share best practice and inspire a truly UK-wide approach to achieving net zero.**

The best way to achieve net zero is by working as part of and with the UK. The SNP Government has been focused on grandstanding and acting alone and apart from the UK in an attempt to foster division and grievance and promote separation from the UK. It is beyond question that an entirely different, collaborative, holistic approach is in order.

We believe that Scotland should lead the way in moving towards net zero, not by grandstanding, but by bringing together our closest partners, Northern Ireland, Wales, and England. To help cement engagement in this partnership, we would convene a yearly UK Net Zero Conference to explore opportunities for cooperation, such as joint-funded programmes or the sharing of expertise.

This yearly event would take place in different locations across Scotland. Our ambition would be that this Scottish-convened conference will be attended by senior ministers and civil servants from all parts of the UK, as well as academics and industry. It would also provide a good opportunity to showcase Scotland as a net zero world leader and put Scottish industry at the forefront of our ambitions. The conference's key outcome will be to help forge the relationships that ensure a truly UK-wide approach to net zero.

# CONCLUSION

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There is no doubt that delivering net zero by 2045 will be a challenge for any government. Decarbonisation will have to take place across several key sectors including transport, industry, agriculture, and construction. There will be various challenges to ensure green technologies can be implemented across each of these domains to help reduce carbon emissions and there will be challenges in encouraging behaviour change across the whole of society.

What must also be remembered is that net zero policy does not exist within a vacuum. Families and households are facing a global cost of living crisis, businesses are struggling as they attempt to recover after the COVID-19 pandemic, and Russia's war in Ukraine has made energy security a priority for all governments. On the positive side, net zero will bring significant economic opportunities such as new technologies, new industries, and significant number of highly skilled green jobs.

We must learn from history and ensure that transition must be just and that moving away from fossil fuels too early could lead to significant harm, particularly to the North East of Scotland. We have made it abundantly clear that the presumption against new oil and gas outlined in the Draft Energy Strategy and Just Transition Plan is wrong and must be removed immediately.

To conclude, government must look to implement net zero policies that are pragmatic, take a holistic and global approach to reducing carbon emissions, and do not place an unfair financial burden on hard-pressed families. They must have a real focus on delivery and introduce policies that inspire all parts of society to actively engage in becoming greener. Only then, will we deliver net zero by 2045, while protecting jobs.

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