



Scottish Council for
Development and Industry

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Embargo: 00:01 HOURS ON 10 JANUARY 2011

MAJOR NEW INDEPENDENT STUDY & REVIEW WILL HELP POLICY MAKERS AND BUSINESSES DELIVER SCOTLAND'S LOW CARBON ENERGY AMBITIONS

Scotland's performance in fulfilling low carbon energy targets and ambitions is to be tracked and analysed independently for the first time in a major new study, it was announced today.

Scotland's Low Carbon Energy Review is a unique partnership involving Scotland's leading independent economic development organisation, the Scottish Council for Development and Industry (SCDI); Scotland's premier source of economic commentary, the University of Strathclyde's Fraser of Allander Institute, and is supported by Siemens and EDF Energy, two global energy businesses.

The Review will include a major new annual survey of the supply chain of low carbon energy suppliers in Scotland, and will offer expert insight into the key energy issues by establishing supply chain benchmarks and measuring progress across a range of factors including:

- Security of supply
- Decarbonisation
- Affordability
- Economic and employment benefits

Importantly, the Review's leading-edge analysis will identify opportunities and barriers to business growth, exports and inward investment, for both businesses and Scotland's public sector to address.

It has been estimated by Ofgem's Project Discovery that £200bn must be spent in the UK over the next ten years to help it advance towards a low carbon economy. The International Energy Agency has also said that \$10.5 trillion of extra investment in low carbon energy and energy efficiency is required by 2030.

Building on the strengths and insights of this unique partnership of civic Scotland, academia and global energy businesses, Scotland's Low Carbon Energy Review will be Scotland's key source of information for public and private sectors in terms of investment, business development and international growth.

The Low Carbon Energy Review will also complement the definitive annual survey of Scotland's oil and gas supply chain produced by SCDI in partnership with Scottish Enterprise and will play a key role in tracking growth and internationalisation in the low carbon sector.

PRESS RELEASE

The Review will also examine key issues including:

- Is Scotland maximising the benefits from its natural assets, its people and its potential as an enterprising nation?
- How are we competing as an international destination of choice for low carbon investment?
- Are our SMEs capturing a growing share of national and international projects and markets?

The Scottish Low Carbon Energy Review will be formally launched this week (Tuesday, January 11) by SCDI and the Fraser of Allander Institute at the SCDI Annual Lecture in Aberdeen. The 2011 Lecture will be delivered by Lord Robert Smith, Chairman of Weir Group and Chair of the Organising Committee for the 2014 Commonwealth Games.

Welcoming the launch of Scotland's Low Carbon Energy Review, SCDI Chair, Robert Armour, said:

"With our natural resources, industry expertise and academic strengths, Scotland has an unparalleled opportunity to attract investment and grow a world-leading sector which develops and exports innovative technology, creates jobs and benefits our society and environment.

"The Low Carbon Energy Review will provide Scotland with strategic, independent and leading-edge analysis of progress and delivery across the range of low carbon energy technologies.

"The low carbon vision for Scotland is bold and a range of high-profile targets, strategies and action plans are in place. What we must now do is benchmark Scotland's actual and forecast performance against these ambitions and I am delighted that the Low Carbon Energy Review will play a leading role in this."

Professor Jim McDonald, Principal of the University of Strathclyde, said:

"Scotland has a tremendous opportunity to be a global leader in the low carbon energy sector, helping to improve quality of life and energy infrastructure investment, and maximise economic development opportunities. It is critical that we measure progress and identify barriers to growth if we are to realise the country's goals for clean energy, jobs creation, business growth and tackling climate change.

"There is a need to provide independent analysis and an evidence base that informs the private and public sectors in a fast moving environment with the recently published UK Government's (DECC) Electricity Market Reform plans, the Ofgem 'TransmiT' project reviewing transmission pricing arrangements and the new Energy White Paper expected later this year.

"The Low Carbon Energy Review will provide the data and analysis needed to track Scotland's progress as it attempts to balance the increasing demand for energy with the need to tackle climate change. The Fraser of Allander Institute has an unparalleled reputation in independent analysis of Scotland's economy, and will draw on the strength in depth of energy research in Strathclyde as a whole, including the Engineering Faculty and the wider Strathclyde Business School. I am delighted that the University's researchers and academics are bringing those strengths to help make the UK's low carbon energy future a reality.

PRESS RELEASE

“The Review will provide a step-change in the information available to companies, communities, academics and policy makers to help us achieve our common goals.”

Barry Glew, Managing Director for Industry, Building Technologies, Siemens PLC & Executive Sponsor, Scotland said:

"There are significant opportunities in this new electricity age as Scotland transitions to a low carbon economy.

"It is vital that we track Scotland's progress to meeting the ambitious targets set and understand the wider economic benefits a low carbon economy will deliver in terms of investment, international opportunities, and skills and employability.

"Siemens will bring a global perspective to this review with Scotland partnering Siemens as a global leader in low carbon technologies."

Paul Winkle of EDF Energy's Torness nuclear power station, said:

"This study will provide a valuable insight into Scotland's capabilities and potential for low carbon economic growth.

"Scotland rightly has set itself demanding targets for emission reduction, because it has both the skills and the technical capability to meet these.

"As we move towards reducing our reliance on carbon emitting generation we will see changes in the way we power our lives. This will put new demands on our energy systems. The study will show how carbon emission is being avoided now, and how this can be further developed while securing reliable generation and economic growth."

The **Scottish Low Carbon Energy Review** will incorporate:

1. **Scottish Low Carbon Energy Commentary** – This will review key industry and policy developments in low carbon energy in the preceding year, and analyse progress towards energy and climate change targets within a wider economic growth, social and environmental context
2. **Digest of Low Carbon Energy Statistics** – This will bring together in a concise, user friendly summary key statistics measuring progress against 4 Energy Policy Pillars:
 - I. Security of Supply
 - II. Decarbonising Supply (including electricity, heat and transport)
 - III. Affordability of Supply (including energy efficiency)
 - IV. Economic Benefits (e.g. electricity exports, investment, jobs and community)
3. **Annual Low Carbon Energy Supply Chain Survey** – This will track the growth and internationalisation of the Scottish-based supply chain - including the value of sales, site, sectoral, and overseas market analysis, Scottish content and SME share - to identify gaps/ opportunities the supply chain, developers and public sector can target

PRESS RELEASE

4. **Low Carbon Energy Perspectives** - Sourced from Scottish and international policy, academic, industry, finance and legal experts, these will provide the latest commentary on specific topics, such as future energy scenarios, engineering and technology, skills, investment levels and sources investment, and country focuses.

Scottish Enterprise and Highlands and Islands Enterprise have agreed to make available the Scottish Offshore Energy Supply Chain Database, which will provide a part of the sampling frame for the Low Carbon Energy Review's annual survey of the supply chain. Survey work will start immediately, with the first annual Scottish Low Carbon Energy Review scheduled for publication in early summer 2011.

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Notes to editors

For further information please call:

Janette Harkess (SCDI) on 07502 344400 and Kat Hannah (University of Strathclyde) on 0141 548 4123 / 07967 796 503

1. SCDI is an independent membership network which strengthens Scotland's competitiveness by influencing Government policies to encourage sustainable economic prosperity, with offices in Aberdeen, Glasgow and Inverness. Our membership is drawn from Scottish business, trade unions, public agencies, educational institutions, local authorities, voluntary sector and inter faith groups.
2. The Survey of International Activity in the Oil and Gas Sector, first published by SCDI and Scottish Enterprise in 2000, highlights Scotland's contribution to the global oil and gas industry, and examines the value and destination of international sales achieved by Scottish service/ supply companies.
3. The Fraser of Allander Institute (FAI) is a research unit of the University of Strathclyde in Glasgow and is formally part of the Department of Economics and the Strathclyde Business School. The Institute carries out research on regional issues generally and the Scottish economy in particular, including forecasting and the analysis of short-term and medium-term movements in Scottish economic activity. The Institute, in association with PricewaterhouseCoopers, also publishes the Fraser Economic Commentary, the premier source of independent commentary and leading edge analysis of Scotland's economy.
4. FAI is also engaged in core research into energy-economy-environment modelling, including low carbon energy sources, through membership of four of the Engineering and Physical Science Research Council's multi-disciplinary SuperGen Research Consortia (Marine, Wind, UK Sustainable Hydrogen Futures, and Highly Distributed Energy Futures). The Institute is also part of a research team (BioMara) funded by the EU to explore marine algae as a source of fuel.
5. The University of Strathclyde is a leading member of the Scottish Energy Technologies Partnership which has established one of the strongest, broad-based, research alliances internationally. Strathclyde Institute for Energy and Environment is the largest energy

PRESS RELEASE

and power research grouping in Europe with major world class activities in several energy themes. More at www.strath.ac.uk

6. The University is also a partner in the innovative Sustainable Glasgow initiative. Fraser of Allander researchers led the creation of the Sustainable Glasgow Report (published January 2010, see www.sustainableglasgow.org.uk) that provides a framework that aims to make Glasgow one of Europe's most sustainable cities within 10 years.

About Siemens in the UK

Siemens was established in the United Kingdom 168 years ago and now employs around 16,000 people in the UK. Last year's revenues were £4.1 billion. As a leading global engineering and technology services company, Siemens provides innovative solutions to help tackle the world's major challenges, across the key sectors of energy, industry and healthcare. The company is the world's largest provider of environmental technologies, generating nearly one-third of its total global revenue, from green products and solutions. Siemens has offices and factories throughout the UK, with its headquarters in Frimley, Surrey. The company's global headquarters is in Munich, Germany. For more information, visit www.siemens.co.uk

About EDF Energy

EDF Energy is one of the UK's largest energy companies and the largest producer of low-carbon electricity, producing around one-fifth of the nation's electricity from its nuclear, coal and gas power stations, as well as combined heat and power plants and wind farms. The company supplies gas and electricity to more than 5.5 million business and residential customers and is the biggest supplier of electricity by volume in the UK.

EDF Energy's safe and secure operation of its eight existing nuclear power stations at sites across the country makes it the UK's largest generator of low carbon electricity. EDF Energy is also leading the UK's nuclear renaissance and has published plans to build four new nuclear plants, as well as the associated developments needed to support them in the local area, subject to the right investment framework. These new plants could generate enough low carbon electricity for about 40% of Britain's homes. They would make an important contribution to the UK's future needs for clean, secure and affordable energy. The project is already creating business and job opportunities for British companies and workers.

In its nuclear activities EDF Energy has partnered with Centrica, which has a 20% stake in the company's eight existing plants and in the project carrying out pre-development work for new build. Centrica also has the option to take up to 20% stakes in each of the four planned EPR nuclear reactors.

Through Our Sustainability Commitments, EDF Energy has launched one of the biggest environmental and social programmes of any British energy company. EDF is the official energy utilities partner and sustainability partner of the London 2012 Olympic and Paralympic Games. The company is also helping its customers and others use energy more sustainably through products and initiatives such as Team Green Britain, smart meters and electric vehicle research.

EDF Energy is part of EDF Group, one of Europe's largest power companies. The company employs around 15,000 people at locations across the UK.

The Net Electrical Capacity of Torness is 1250 MW and is the largest source of low carbon electricity in Scotland.