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SCDI COMMISSIONS INDEPENDENT STUDY ON SCOTLAND'S ENERGY FUTURE

The Scottish Council for Development and Industry (SCDI) has commissioned a major independent study into the future of electricity generation in Scotland in response to widespread concerns over the economic impact of rising energy prices and uncertainty over Scotland's future energy mix.

With the Cockenzie coal fired power station and Hunterston nuclear generator projected to close in the next ten years, Scotland could go from a significant exporter to an importer of electricity, with implications for the security of supply, jobs and economic growth.

Both the UK and Scottish Governments have set stretching renewable energy targets and consulted on 80 per cent climate change emissions reductions. SCDI's research - to be carried out by Wood Mackenzie, an international energy specialist based in Edinburgh - will look at future supply and demand of electricity, and the likelihood of Scotland hitting its target of 50 per cent of consumption coming from renewable sources by 2020.

Commenting on the project, Dr Lesley Sawers, SCDI's Chief Executive, said:

"Rising energy prices are impacting on every sector of the Scottish economy, and there is considerable concern about the implications of the Scottish Government's refusal to allow any new nuclear generation. With planned power station closures this could mean an energy gap, and Scotland going from a net exporter to an importer of electricity. This has potentially significant implications for security, affordability and reliability of our energy supply, and the continued growth of the economy.

"Despite major announcements on new wind and biomass capacity in recent weeks, it is still not clear if Scotland will meet its target for 50 per cent of electricity consumed coming from renewable sources by 2020.

"And if we do hit the target, we need to know what this will mean in terms of costs to business and households. We all support the Scottish Government's objective of a lower carbon energy mix, but we need to know the likely costs and potential benefits of this transition, and the implications on the wider economy of Scotland."

Through this research, SCDI also intends to map out the necessary investment and infrastructure necessary to deliver the Scottish and UK Government's targets for renewable energy:

"The growth of renewables brings huge opportunities for Scotland, but there are massive barriers that need to be overcome, such as the speed of the consents process and connections to the Grid, and skills shortages.

"Equally, there are questions that need answered about the cost and reliability of wind power and the likely contribution from wave and tidal power before 2020. This means we need to look at how we generate the necessary baseload in an economically and environmentally efficient way.

"The research will scope out the possible generation mix that will deliver the Government's target of 50 per cent of consumption from renewable sources by 2020, and start to identify the scale of the investment required and the costs to generators, distributors and consumers.

"Following the publication of this piece of work, SCDI will be hosting an energy summit to highlight the key findings and agree the best way forward to secure Scotland's future energy needs."

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