

1. Mr Ewing, SCDI Lunch, 21 September

Background

The Minister for Energy, Connectivity and the Islands has written to COSLA (28 August) to engage Local Authorities in the development of the public energy company. An editorial was placed in the Herald on Friday (31 August) setting out our aims for the public energy company, this was our first public announcement of our Local Authority approach.

The Economy, Energy and Fair Work Committee are running an inquiry into the options for a public energy company. A call for evidence on the role/ format of the company closed on 13 September and oral evidence sessions are expected around October recess. The Energy Minister has written to the EJFW Committee to ensure that our leadership on this issue is fully understood.

[REDACTED]

Top Lines

- Our ambition is to establish a public energy company to support our efforts to tackle fuel poverty.
- This company will be run on a not-for-profit basis while supporting economic development and climate change targets.
- We are in the process of commissioning the outline business case to assess detailed options for public energy company.
- We are taking a phased approach, investigating how to support Local Authorities to operate a white label arrangement in phase one.
- The public energy company is a long-term ambitious project which is likely to move from this initial focus to direct energy supply and generation.

[REDACTED]

2. Briefing for Location Directors - Public Energy Company

From: Ritchie N (Neil)

Sent: 30 August 2018 16:58

To: [REDACTED]

Subject: FW: Briefing for Location Directors - Public Energy Company

Location directors

Last October the First Minister announced the creation, by the end of this Parliament, of a public energy company. This would operate on a not for profit basis and would be focussed on delivering action against issues such as fuel poverty.

This week the Minister for Energy, Connectivity and the Islands wrote to COSLA (attached) proposing to work with local authorities to develop this concept. The letter will be followed by an op-ed article from Mr Wheelhouse later this week setting out our ambitions. The key messages we are aiming to get across this week are:

- Our ambitions and the contribution that they can make towards tackling issues such as fuel poverty;

- That we are adopting a phased approach.
- Our desire to work alongside individual councils to develop this opportunity.
- We are now commissioning the outline business case to design the specific business model for formal public consultation early next year

[REDACTED]

We are sharing at this point for awareness in case you are approached by individual local authorities.

Let me know if you have any questions or would like to discuss.

NEIL RITCHIE
[REDACTED]

3. Fuel Poverty Advisory Panel - Paper for Members, September 2018

Public Energy Company Overview – Fuel Poverty Advisory Panel

Proposition

On 10 October 2017, the First Minister, Rt. Hon. Nicola Sturgeon MSP, confirmed the Scottish Government's ambition to establish a publicly-owned, not-for-profit energy supply company by the end of the current Parliament (March 2021).

A key outcome is that the company will support our efforts to tackle fuel poverty. We also intend that the company will support economic development and help to achieve our climate change targets.

Developing the Concept

Following the First Minister's announcement the consultants EY were commissioned to deliver an independent Strategic Outline Case to consider options for how the public energy company could be developed. The EY report was published in April and has helped inform consideration of next steps and ensure that the approach is viable; regulatory compliant and is focussed on delivering key outcomes.

The EY report indicated that a phased approach to building up a public energy company over time would be preferred to maximise benefits and likelihood of success. An outline business case will investigate this in more depth; particularly focusing on white label, or franchise, arrangements for energy supply. This would be offered as close to cost price as possible; supporting our efforts to tackle issues such as fuel poverty and the harm it causes. Ultimately the ambition is to move in later phases towards energy generation and direct supply, optimising the role of energy in developing Scotland's economy.

Scotland's Energy Strategy highlights the importance of local energy systems. We want to work with local authorities to develop a locally based approach. The Minister for Energy, Connectivity and the Islands has invited COSLA to work alongside the Scottish Government to develop these opportunities. This can help support existing local ambitions to support communities and develop energy solutions.

Next Steps

The Scottish Government is commissioning an outline business case to develop a detailed proposal. This is expected to be concluded towards the end of 2018. As part of its development the independent consultants will engage with key stakeholders, including the Fuel Poverty Advisory Panel, to inform their conclusions. Building on the conclusions of that report a full public consultation will be held setting out the proposed approach; our vision and what the energy company should, and should not do.

SCOTTISH GOVERNMENT: CONSUMER AND LOW CARBON DIVISION
September 2018

4. Roseanna Cunningham, Just Transition Briefing, 13 September 2018

CABINET SECRETARY FOR ENVIRONMENT, CLIMATE CHANGE AND LAND REFORM Briefing for Just Transition Commission workshop

PUBLIC ENERGY COMPANY

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- This company will be run on a not-for-profit basis while supporting economic development and climate change targets.
- We are in the process of commissioning the outline business case to assess detailed options for public energy company.
- We are taking a phased approach, investigating how to support Local Authorities to operate a white label, or franchise, arrangement in phase one.
- The public energy company is a long-term ambitious project which is likely to move from this initial focus to direct energy supply and generation.
We are working with Local Authorities to ensure that the energy company delivers on our aligned objectives.
- This is a significant opportunity to help realise the consumer-focused local energy vision set out in the Scotland's Energy Strategy.
- The Minister for Energy, Connectivity and the Islands has set out our aims for the public energy company and Local Authority approach.

[REDACTED]

5. Mr Matheson, Programme for Government Economy debate, September 2018

Background

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The Economy, Jobs and Fair Work Committee are running an inquiry into the options for a public energy company. A call for evidence on the role/ format of the company closes on 13 September and oral evidence sessions are expected around October recess. The Energy Minister has written to the EJFW Committee to ensure that our leadership on this issue is fully understood.

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[REDACTED]

6. Mr Matheson Summer Tours July 2018

–briefing provided in email and as background note

Email -

Dundee ESCo

Dundee City Council's Policy & Resources Committee have recently given consideration (4 June) to a decade long vision that will start to deliver small scale, local heating schemes across the city. The Committee Convenor, John Alexander, has indicated the plan will aim to "reduce fuel costs, carbon emissions and tackle fuel poverty". As part of this plan, consideration would be given to the creation of an Energy Services Company (ESCo) to provide longer term local heat and power schemes in the city [REDACTED]

Lines to take

- Our ambition is to establish a public energy company to support our efforts to tackle fuel poverty and help to achieve our climate change targets.
- This company will be publicly owned and run on a not-for-profit basis and will support actions set out on the Energy Strategy such as supporting local energy systems.
- We have set ourselves a target of the end of this Parliament (March 2021) to put the right mechanisms and expertise in place.
- The Scottish Government will consult on proposals for a public energy company later this year.
- We have welcomed increasing consumer choice over recent years and the value that this offers Scottish consumers.

**Background note -
Top Lines**

- Our ambition is to establish a public energy company to support our efforts to tackle fuel poverty and help to achieve our climate change targets.
- This company will be publicly owned and run on a not-for-profit basis and will support actions set out on the Energy Strategy such as supporting local energy systems.
- We have set ourselves a target of the end of this Parliament to put the right mechanisms and expertise in place.
- This is a complex and challenging market, we need to ensure that we consider all areas – current and future - before finalising any detail.
- The independent Strategic Outline Case prepared by EY was published in April this year.
- We will consider the report with a view to undertaking a public consultation later in the year.

Background: October 2017 – The First Minister pledged to set up, by the end of this Parliament, a publicly-owned, not-for-profit energy company in Scotland to give people, particularly those on low income, “more choice and the option of a supplier whose only job is to secure the lowest price for consumers”.

ISSUE: 28 June - The Economy, Jobs and Fair Work Committee published a report (by the Centre for Energy Policy) to support a call for evidence on the role/ format of a public energy company.

[REDACTED]

7. Mr Wheelhouse meeting with Centrica 11 July

Top Lines

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- This company will be publicly owned and run on a not-for-profit basis and will support actions set out on the Energy Strategy such as supporting local energy systems..
- We have set ourselves a target of the end of this Parliament to put the right mechanisms and expertise in place.
- This is a complex and challenging market, we need to ensure that we consider all areas – current and future - before finalising any detail.
- The Scottish Government will consult on proposals for a public energy company later this year.
- Scotland is an energy rich country with unacceptable levels of fuel poverty.
- We are leading the way on this agenda, and introduced the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill.

Background: October 2017 – The First Minister pledged to set up, by the end of this Parliament, a publicly-owned, not-for-profit energy company in Scotland to give people, particularly those on low income, “more choice and the option of a supplier whose only job is to secure the lowest price for consumers”.

[REDACTED]

**8. Clydesdale Bank Renewable Energy - The future of Renewables in Scotland -
Dinner 19 June 2018
(FMQ from 10 May provided, see annex X)**

9. Low Carbon Scotland Conference at Dynamic Earth –and community Hydro Scheme Opening in Arrochar, May 2018

PUBLICLY OWNED ENERGY COMPANY

Top lines

- Our ambition is to establish a publicly-owned energy company to support our efforts to resolve fuel poverty and help to achieve our climate change targets.
- This company will support economic development, contribute to tackling fuel poverty, as well as being publicly-owned and run on a not-for-profit basis.
- The Strategic Outline Case (SOC) was published on 5 April. And we will carry out further consultation later in the year.

[REDACTED]

10. Briefing for Mr Wheelhouse, All Energy 3 May 2018

ANNEX H – PUBLICLY OWNED ENERGY COMPANY

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- Our ambition is to establish a publicly-owned energy company to support our efforts to resolve fuel poverty and help to achieve our climate change targets.
- This company will support economic development, contribute to tackling fuel poverty, as well as being publicly-owned and run on a not-for-profit basis.
- The Strategic Outline Case (SOC) was published on 5 April. And we will carry out further consultation later in the year.

[REDACTED]

11. Mr Wheelhouse – meeting with SSE, 26 April 2018

- We are developing plans for a Publicly Owned Energy Company, which will further aid our efforts to tackle fuel poverty and to help us meet our ambitious climate change targets.
- Significant progress has been made since the announcement last October.
- We have given ourselves until the end of this Parliament to ensure that we put the right mechanisms and expertise in place – it is important we get this right.
- This is a complex and challenging market, we need to ensure that we consider all areas – current and future in a fast moving sector - before finalising any detail.
- The independent SOC prepared by EY has been published, we will consider the report with a view to undertaking a public consultation later in the year.