

MACQUARIE EVENT ON CLIMATE CHANGE AND INFLATION REDUCTION ACT

Key message	<ul style="list-style-type: none"> • Devolved governments are often closest to the consequences of climate change and up to 80% of adaptation and mitigation actions necessary to tackle climate change will be implemented at that level. • A just transition must deliver on our social, economic and climate goals, harnessing the Net zero transition across all sectors of the economy to build a better and more equal Scotland.
What	Fireside chat at Macquarie event on IRA
Who	Miki Edelman Jennifer Granholm <u>United States secretary of energy</u>
Why	<ul style="list-style-type: none"> • Macquarie are hosting an event with clients, investors and stakeholders on the early implementation of the US Inflation Reduction Act with senior US representatives from the US administration and leading US corporates. • You have been invited to take part in a short fireside chat with Miki Edelman, Head of Strategic Client Solutions at Macquarie Group on the role of states and regions in the climate context, and the opportunities and challenges of the transition to net zero.
Where	Rainbow Room
When	18:30 – 20:30
Likely themes	<ul style="list-style-type: none"> • How to galvanise devolved, state, and regional climate action • The opportunities and challenges of the transition
Media	Please see full communications plan
Supporting officials	[Redacted] (ICC) [Redacted] (ICC)
Attached documents	<ul style="list-style-type: none"> • Annex A: Summary and Agenda • Annex B: Biographies

ANNEX A: SUMMARY AND AGENDA

Summary

Suggested agenda and points to make:

Devolved government climate action

- Devolved governments are often closest to the consequences of climate change and up to 80% of adaptation and mitigation actions necessary to tackle climate change will be implemented at that level.
- Realising the full potential of states and regions will be critical in achieving the goals of the Paris Agreement.
- Scotland, as European Co-Chair of the Under2 Coalition, is committed to working with our partners in the UNFCCC Local Government and Multilevel Action constituency to make the case for meaningful participation of non-Party actors within these processes and in international climate discussions and negotiations.
- The conclusions of the recent global stocktake report are deeply concerning it is clear that nothing less than radical decarbonisation and systemic transformation will do.
- Welcome the findings of the UNFCCC global stocktake, particularly:
 - Subnational governments climate action strengthen and catalyse the action of Parties
 - Achieving mitigation and adaptation objectives will require broad and rapid changes in existing practices
- I hope that COP28 will see meaningful progress-in recognising the role of devolved governments, states and regions and the need to provide institutional, financial and mandate reform to provide the appropriate resource to strengthen the climate crisis response.

The opportunities and challenges of the transition

Top Lines

Opportunities

Just Transition:

- The Scottish Government is committed to delivering a just transition. A just transition supports a net zero and climate resilient economy in a way that delivers fairness and tackles inequality and injustice. This results in a fairer, greener future for all.
- A just transition must deliver on our social, economic and climate goals, harnessing the Net zero transition across all sectors of the economy to build a better and more equal Scotland.

Renewables:

- In 2020, an estimated 97.4% of our gross electricity consumption came from renewables.
- Scotland has one of Europe's largest offshore Renewable Energy Zones, with 3.5GW operational. An additional 28GW of offshore wind over 20 new sites are planned following the first round of ScotWind Leasing.
- Scotland's natural resources, skilled offshore workforce, excellent port structure and strong innovation hub, make Scotland one of the best places in the world to develop offshore wind and its supply chain.
- ScotWind is the world's largest commercial round for floating offshore wind and puts Scotland at the forefront of offshore wind development globally.
- We welcome the commitment of developers to invest an average projection of £1.5 bn in Scotland per project across the 20 ScotWind offshore wind projects.
- With heat currently the single largest source of our emissions, the scale of the low carbon heat opportunity in Scotland is enormous, presenting immediate opportunities in heat pumps and heat networks.
- Strong government support for low carbon heating, including £1.6bn of funding over the next five years. But additional investments are required.
- By 2024 all new homes in Scotland must use zero emissions heat.
- Scotland is committed to becoming a world leading hydrogen nation and major exporter, with abundant energy resources able to serve emerging markets in northern and central Europe.
- Ambition of 5GW of clean hydrogen production by 2030 and 25GW by 2045.
- Scotland has an opportunity to be a world leader in decarbonisation, and the depth of talent and expertise across industry and academia make us ideal partners for investments in renewable energy.

Nature Based Solutions/Peatlands:

- Peatlands are an integral part of Scotland's cultural and natural heritage, and cover over a third of our land area, storing around 1.8 billion tonnes of carbon. However, it is estimated that around 2.02 million hectares (76%) are degraded or forested.
- When in good condition, they offer multiple benefits and resilience to our environment and communities.
- Restoring Scotland's peatlands can help us fight climate change, support biodiversity and provide good, green jobs – often in rural communities.
- That is why restoring and protecting these unique landscapes is an essential part of our response to the twin crises of climate change and biodiversity loss.
- That is why in my policy prospectus published earlier this year I promised to deliver up to 110,000 hectares of restored peatland by 2026.

Green Skills and Jobs:

- Opportunities for jobs growth and skills development exist across the economy and will make a significant contribution to the net zero transition.

- The Green Jobs Fund will make up to £100m of capital investment available to businesses and supply chains across Scotland to help create new green jobs.
- Our Climate Emergency Skills Action Plan (CESAP) provides a framework for green skills planning across priority sectors directly affected in the transition to net zero.
- [redacted]

Challenges

- The twin crises of climate change and biodiversity loss are amongst the biggest global challenges of our time.

Bringing people with us:

- A major challenge we face is how to bring people along with us when we need to make difficult decisions, and how to encourage people to make changes in their own lives.
- The UK's Climate Change Committee (CCC) estimates that more than 60% of the changes needed to achieve Scotland's net zero target will require at least some element of individual or societal behaviour change.
- Moving toward becoming a net zero nation will require all aspects of society to embrace significant changes in order for us to meet our ambitious targets.
- [redacted]

Building a political consensus (domestic):

- The need for a collective will and a common sense of priority is vital and political leadership is essential if Scotland is to rise to this challenge.
- It was a spirit of political cooperation that underpinned Scotland's ambitious climate change legislation.

International cooperation:

- If the world is to deliver on the Glasgow Climate Pact, nations need to continue to increase ambition and take credible action to reach net zero emissions, rather than roll back on progress that has already been made.
- In this decisive decade for climate action, the Scottish Government is committed to working with and supporting our international partners to help secure a global transition to a net zero and resilient future in a way that is fair and just for all.
- We are already building meaningful and lasting international partnerships to mobilise action and ambition and find solutions to address some of the key climate change issues; including through our position as co-chair of the Under 2 Coalition.
- We are committed to being a bridge builder, to amplifying the voices of the global south, and addressing the unequal impacts of climate change on marginalised people, especially young people and women.

ANNEX D

BIOGRAPHIES

Miki Edelman Head of Strategic Client Solutions, Cash Equities, Macquarie Group



Miki Edelman joined Macquarie in 2008 and is Head of Strategic Client Solutions, Cash Equities within Macquarie's Commodities and Global Markets (CGM) group. She is also responsible for our CGM MiFID II Client Outreach Strategy. Her Macquarie experience includes management of the Asia and global cash equities sales teams.

Jennifer Granholm United States secretary of energy (USA)



Since 2021 Jennifer Granholm has served as the 16th United States secretary of energy. Citing climate change as "the greatest crisis that we're facing," Granholm said that the situation is a challenge both scientifically and economically. Energy's goal amid the climate crisis is to innovate in the clean and decarbonization technology space, and aid in commercialization efforts for a greener U.S. economy. "We're funding demonstration projects for next generation technologies like clean hydrogen, long duration energy storage, advanced nuclear [and] direct air capture. We're working closely with industry to accelerate their commercialization, and we are making the United States the most attractive destination for investment in new energy technologies, which will boost our energy security and independence," Granholm said. Key among these initiatives is supporting more fusion energy research.

Question

- **Impact of IRA.** First Minister, if I can start by creating a link to our discussions tonight on the IRA. From the other side of the Atlantic, how do you see it and importantly, how do you view the impact of it on climate action in Scotland, the wider UK and Europe ... is it a helpful raising of the bar, or a cause for competitive concern?

Answer:

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

Question

- **Offshore wind.** One thing that the US and Scotland has in common is a desire to grow its offshore wind fleet, with Scotland aiming to quadruple its installed capacity by 2030, to pioneer floating, connect it to green hydrogen production and build industrial capacity around the sector. And yet across the world we are seeing the industry, and governments, struggling to react to rising costs, with some developers in the US and UK suspending projects. How do you see these challenges playing out, and what needs to happen now?

Answer

- [Redacted]
- [Redacted]
- [Redacted]

- [Redacted]
- [Redacted]

Question:

- **Under2 Coalition.** First Minister, I understand that this is one of your first foreign trips since taking on the role, and it's perhaps a natural choice given the Scottish Governments commitment to climate action. One of your international roles this week is as European co-chair of the [Under2 Coalition](#), which is a grouping of over 260 sub-national governments. Can you talk a little about the role of these types of governments, the role that they can play in climate action, and the mood you've found them in this week?

Answer:

- [Redacted]

- [Redacted]
- [Redacted]
- [Redacted]