

Regulation 11 - Personal Data

While our aim is to provide information whenever possible, in this instance an exception under Regulation 11, personal data, has been applied to some of the information requested.

Information has been redacted under Regulation 11 (Personal Data), as it contains personal information and disclosing it would contravene the data protection principles in Article 5(1) of the General Data Protection Regulations (GDPR) and in Section 34(1) of the Data Protection Act 2018.

This exception is not subject to the 'public interest test'.

Regulation 10(4)(e) - Internal communication

While our aim is to provide information whenever possible, in this instance an exception under Regulation 10(4)(e), internal communication, has been applied to some of the information requested.

This exception is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception.

We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is some public interest in releasing the information as part of an open, transparent and accountable government. However, this is outweighed by the greater public interest in allowing Scottish Government officials and ministers a private space to share free and frank views for the purpose of deliberation of any given policy.

Regulation 10(4)(d) – Material in the course of completion

While our aim is to provide information whenever possible, in this instance an exception under Regulation 10(4)(d), material in the course of completion, unfinished documents, or incomplete data has been applied to some of the information requested.

This exception is subject to the 'public interest test'. Therefore, taking into account all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exception.

We have found that, on balance, the public interest lies in favour of upholding the exception. We recognise that there is a public interest in disclosing information as part of an open, transparent and accountable government. However, there is a greater public interest in allowing a private space for officials to consider draft content of documents to ensure that factual and accurate information is released in the public domain.

As we have applied Regulation 10(4)(d), under Regulation 13(d) a public authority must also outline when the information will be completed. The finalised report is due to be published before the end of the year (2024).

Document 001:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Thursday, May 2, 2024 9:32 AM
To: Kersti Berge <Kersti.Berge@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)] @gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: REMA Second Consultation- Draft Letter and Submission

Hi Kersti,

Further to below please find the last couple of submissions and the note on LMP we shared with FM last month at the links below.

I've also attached the most recent version of the executive summary from the CXC study, although this isn't finalised and is the last version we sent back to ERM. It therefore has numerous track changes and comments.

Many thanks,
[Redacted Reg 11(2)]

[Redacted Reg 10(4)(e)]
[Redacted Reg 10(4)(e)]
[Redacted Reg 10(4)(e)]
[Redacted Reg 10(4)(e)]

From: [Redacted Reg 11(2)]
Sent: Wednesday, May 1, 2024 4:31 PM
To: Kersti Berge <Kersti.Berge@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: REMA Second Consultation- Draft Letter and Submission

Hi Kersti,

Ahead of your review slot tomorrow morning, please find the draft letter and submission at the following links:

- [Redacted Reg 10(4)(e)]
- [Redacted Reg 10(4)(e)]

5. The UKG is reviewing market arrangements through REMA. The first REMA consultation was published in October 2022 and the second consultation is expected in January 2024.
6. Officials held a deep dive with you on REMA in May 2023. You then met Graham Stuart, Minister of State for Energy Security & Net Zero to discuss REMA in September 2023.
7. [Redacted Reg 10(4)(e)]
8. [Redacted Reg 10(4)(e)]
9. UKG is planning to address the imbalance in gas and electricity bills for consumers in the retail market through a consultation in 2023/24 and implementation by end of 2024. Further advice will follow in due course.

[Redacted Reg 10(4)(e)]

10. [Redacted Reg 10(4)(e)]

11. [Redacted Reg 10(4)(e)]

12. [Redacted Reg 10(4)(e)]

13. Furthermore, modelling commissioned by Ofgem suggests LMP could reduce Scotland's wholesale electricity prices to among the lowest in Europe¹. However, there is recognition that non-price factors such as planning, skills and supply chains, can be just as important as electricity costs in industry decisions about where to locate and invest.

14. We have commissioned an independent assessment of LMP, which aims to better understand the theoretical impacts of LMP as well as what is required to allow those benefits to materialise. It is due to conclude in February 2024. We established a short-life Expert Advisory Panel to add further rigour to the study. The Panel includes individuals from the renewables industry, retail market, flexibility and storage providers, and consumer-facing organisations.

[Redacted Reg 10(4)(e)]

15. [Redacted Reg 10(4)(e)]

16. [Redacted Reg 10(4)(e)]

17. [Redacted Reg 10(4)(e)]

18. [Redacted Reg 10(4)(e)]

¹ Assessment of locational wholesale pricing for Great Britain | Ofgem

19. Our assessment of options for market reform will look at impacts from a Scottish-specific perspective and include different locations and circumstances such as rural, island, off-grid and vulnerability.

20. The Scottish Government will continue to call for the following actions, which were set out in the draft ESJTP:

- to ensure that reform of the wholesale market supports continued deployment of renewable generation and adequate protection to consumers;
- to reform the wholesale market to enable consumers, communities and businesses in Scotland to share the benefits of low-cost renewable power and decarbonise demand sectors; and
- to break the link between the price of electricity and the cost of gas.

21. [Redacted Reg 10(4)(e)]

Bute House & Verity House Agreement Implications

22. There are no direct Bute House or Verity House Agreement implications.

Financial and Legal Considerations

23. There are no direct financial or legal implications for the Scottish Government.

[Redacted Reg 10(4)(e)]

24. [Redacted Reg 10(4)(e)]

25. [Redacted Reg 10(4)(e)]

26. [Redacted Reg 10(4)(e)]

Recommendation

27. [Redacted Reg 10(4)(e)]

28. [Redacted Reg 10(4)(e)].

Conclusions and next steps

29. [Redacted Reg 10(4)(e)]

30. [Redacted Reg 10(4)(e)]

Quality Assurance

31. This submission has been approved by Ragne Low, DD Onshore Electricity, Strategy and Consents and Catriona Laing, DD Domestic Climate Change.

[Redacted Reg 11(2)]
Energy Strategy and Markets
Onshore Electricity, Strategy and Consents

Hope you had a lovely break. Here's an update for you before I finish up – I'm back on Tuesday 16th April. [Redacted Reg 11(2)] is off next week, back on Monday 8th April. [Redacted Reg 11(2)] will be around.

[Out of Scope]

[Out of Scope]

[Out of Scope]

[Out of Scope]

[Out of Scope]

CXC report – the final report has been provided but there are some issues outstanding which haven't been addressed due to the amount of work they would need. CXC and I agreed that [Redacted Reg 10(4)(e)] have already put in a lot more than we could have asked for, and therefore SG needs to consider whether we need a small (£1/2k) extension to allow the report to properly address these issues. I've not been able to review the reports yet, but I am inclined to think we need to ask [Redacted Reg 11(2)] for a small extension. [Redacted Reg 10(4)(e)]

[Redacted Reg 11(2)] – while [Redacted Reg 11(2)] and I are off next week, we have asked [Redacted Reg 11(2)] to do some preparatory work on the REMA consultation, pulling out the key proposals, evidence, stakeholder views, etc. [Out of Scope]

[Out of Scope]

If you have any questions or need anything before I'm back, just send me a message and I'll try to help.

Thanks,
[Redacted Reg 11(2)]

[Redacted Reg 11(2)]

Strategic Lead, Wholesale Energy Markets | Energy Strategy and Markets Unit
Onshore Electricity, Strategy and Consents | Directorate of Energy and Climate
Change | Scottish Government

5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU

e: [Redacted Reg 11(2)]@gov.scot m: [Redacted Reg 11(2)]

My working days are Tuesday, Wednesday and Thursday

Document 003:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Thursday, March 21, 2024 1:31 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: List of Priorities

Hi [Redacted Reg 11(2)],

Thought I'd put this in an email instead of it getting lost in Teams. Have listed some key areas of work that need attention below and some dates. [Out of Scope]

- [Out of Scope]
- CXC Study finalisation
 - We have received the full report back and have been asked to review again (just ourselves not wider policy teams) before confirming we are content (received yesterday).
 - We have received the two summaries back and will also need to review (received today). There is also a bit of management potentially required re discussion between ERM and CXC.
 - We need to return the comms form to CXC. [Redacted Reg 11(2)] sent us this a while back now.
- [Out of Scope]
- [Out of Scope]
- [Out of Scope]

[Out of Scope]

[Redacted Reg 11(2)]

[Redacted Reg 11(2)] | Senior Policy Manager
Energy Strategy and Markets Unit | Onshore Electricity, Strategy and Consents
Directorate of Energy and Climate Change | Scottish Government
5 Atlantic Quay, Glasgow, G2 8LU | [Redacted Reg 11(2)]@gov.scot



Document 005:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Wednesday, January 10, 2024 9:42 AM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: FW: IQ21 2023 - Skeleton report of LMP review

Hi [Redacted Reg 11(2)],

Please can you take a look at the report outline (attached) and [Redacted Reg 11(2)] comments (below), then set out your thoughts on any changes / additions you think we need?

I'll take a quick look once you have done that and we can return it to them hopefully by close today.

Thanks,
[Redacted Reg 11(2)]

Document 005a: [Redacted Reg 10(4)(d)]

Document 011:

From: Ragne Low <Ragne.Low@gov.scot>
Sent: Tuesday, January 23, 2024 1:42 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: EAP 2nd Meeting- Intro and Briefing

Is that the REMA LMP CXC panel? I am happy for [Redacted Reg 11(2)] to decide who should lead off (Kersti cannot attend unfort)

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Tuesday, January 23, 2024 1:07 PM
To: Ragne Low <Ragne.Low@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: EAP 2nd Meeting- Intro and Briefing

Hi both,

[Redacted Reg 11(2)] asked me to draft a short introduction for whichever of you will be introducing the discussion at the EAP tomorrow afternoon. I've also included a list of attendees and a couple of bullets from the last brief given to Kersti just for background.

Let me know if you would like any amendments to the attached and I will amend before the meeting.

Best,
[Redacted Reg 11(2)]

[Redacted Reg 11(2)] | [Senior Policy Manager](#)



Document 012:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Wednesday, January 24, 2024 10:11 AM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: IQ21 Electricity Market Reform Fortnightly Meeting

Hi [Redacted Reg 11(2)],

Further to outline below of timelines. Do we need to start thinking ahead in terms of Ministerial clearance and whether the publication suits best on a certain date? Seems like March could be when a final report is produced.

[Redacted Reg 11(2)]

Document 013:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Wednesday, February 7, 2024 10:51 AM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: Ragne Low <Ragne.Low@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: FW: IQ21 - GB electricity market reform technical report draft

Hi [Redacted Reg 11(2)],

We've just received the draft report market reform report from CXC/ERM (attached). At our progress meeting just now, we agreed that:

- [Redacted Reg 10(4)(e)]
- [Redacted Reg 10(4)(e)]
- [Redacted Reg 10(4)(e)]

[Redacted Reg 10(4)(e)]

Thanks,
[Redacted Reg 11(2)]

Document 013a: [Redacted Reg 10(4)(d)]

Document 015:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Wednesday, February 7, 2024 4:09 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: Ragne Low <Ragne.Low@gov.scot>
Subject: RE: CXC GB Wholesale Electricity Market Reform Review SR Letter

Hi all,

Have had a quick scan of this and, as you can imagine, [Redacted Reg 10(4)(e)].

But just wanted to draw out this paragraph which I think is helpful and could help inform our thinking. The ***bold/italic*** bit is [Redacted Reg 11(2)] emphasis:

[Redacted Reg 10(4)(e)]

Best,
[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Wednesday, February 7, 2024 3:24 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: Ragne Low <Ragne.Low@gov.scot>
Subject: FW: CXC GB Wholesale Electricity Market Reform Review SR Letter

Hi all,

For info, [Redacted Reg 10(4)(e)] has written to [Redacted Reg 10(4)(e)] providing further views on the provisional conclusions of the CXC study presented at the Expert Panel[Redacted Reg 10(4)(e)].

[Redacted Reg 10(4)(e)].

[Redacted Reg 11(2)]

Document 016/019/022/026/036//045/046/047/050:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Monday, May 13, 2024 8:42 AM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Hi [Redacted Reg 11(2)],

We are still working towards getting the report published. Work on the ESJTP and the second REMA consultation had to be prioritised over the past couple of months but we should now be in the final stages for this study. It is now back with the consultants to action our final comments.

I actually went along to the recent SFPAP meeting in which the ESJTP was being discussed and provided a bit of an update on our markets work. They provided some really helpful feedback which fed into our REMA response which issued on 03 May.

We'll keep you updated with regards to the CXC study with regards to publication timelines etc.

Many thanks,
[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Friday, May 10, 2024 3:41 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Hi [Redacted Reg 11(2)],

Hope you are well.

I was wondering if there was any update on the below?

Additionally, I know you had previously expressed an interest in engaging with the Scottish Fuel Poverty Advisory Panel. Hopefully you will have heard some of the feedback on REMA from the Scottish Fuel Poverty Advisory Panel through the ESJTP team, whom they provided to.

I'm happy to share contact details.

Best Wishes.

[Redacted Reg 11(2)]

[Redacted Reg 11(2)] **(She / Her)** | Fuel Poverty Senior Policy Officer | Directorate for Local Government and Housing | Scottish Government

Email: [Redacted Reg 11(2)]@gov.scot

Mobile: [Redacted Reg 11(2)]

I work flexibly. If you require an urgent response, please message me on MS Teams.

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Sent: Thursday, February 29, 2024 4:46 PM

To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Subject: Re: For comment by 16 Feb: CXC report on electricity market reform

Thanks [Redacted Reg 11(2)], I knew that would be the case!

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Sent: Thursday, February 29, 2024 2:16:31 PM

To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Hi [Redacted Reg 11(2)],

Thanks very much for having a look. [Redacted Reg 10(4)(e)].

[Redacted Reg 10(4)(e)]

[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Sent: Thursday, February 29, 2024 12:57 PM

To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Hi both, I've had a look through the report. I think in line with that [Redacted Reg 11(2)] mentioned yesterday [Redacted Reg 10(4)(e)]

[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Thursday, February 22, 2024 4:14 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; Sue Kearns <Sue.Kearns@gov.scot>; Suresh Kumar <Suresh.Kumar@gov.scot>
Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Hi [Redacted Reg 11(2)],

Thank you for taking time to comment – it's great to have your thoughts. We'll feed your comments back to the consultants and be back in touch if we need to follow up on anything.

Best wishes,
[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Thursday, February 22, 2024 4:09 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; Sue Kearns <Sue.Kearns@gov.scot>; Suresh Kumar <Suresh.Kumar@gov.scot>
Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Hi [Redacted Reg 11(2)]

Prompted by this recent exchange, I've added a few comments to the draft. Sorry I missed your earlier deadline.

Regards,
[Redacted Reg 11(2)]

[Redacted Reg 11(2)] | Supply Chain Development Programme, Industrial Transformation and Office of the Chief Scientific Adviser, Scottish Government | T: [Redacted Reg 11(2)] | M: [Redacted Reg 11(2)] | 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Thursday, February 29, 2024 12:55 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Hi [Redacted Reg 11(2)]

Sorry I've only been able to have a quick skim and I don't have anything to add on LMP etc (I can see a lot of points have been covered by OCEA and networks colleagues).

I have addressed a couple of comments which were aimed at [Redacted Reg 11(2)] and [Redacted Reg 11(2)] – please ensure all stats are cleared by OCEA/stats hub. [Redacted Reg 10(4)(e)]

Thanks

[Redacted Reg 11(2)] | Head of Offshore Renewables Policy | Directorate for Offshore Wind | Scottish Government
Tel: 07471358667

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Tuesday, February 27, 2024 11:54 AM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: FW: For comment by 16 Feb: CXC report on electricity market reform

Hi [Redacted Reg 11(2)], [Redacted Reg 11(2)]

We are aiming to send consolidated comments on this study back to the consultants this Thursday afternoon. We would very much appreciate your comments on the report, link here: **[Redacted Reg 10(4)(d)]**

[Redacted Reg 10(4)(e)].

Do let me know if you'd like to discuss.

Thanks,
[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Monday, February 26, 2024 1:27 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: FW: For comment by 16 Feb: CXC report on electricity market reform

Added some comments.
Happy to catch up on 'industrial electrification' some point soon
Thanks

11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>;
[Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)]
<[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg
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<[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg
11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>;
[Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)]
<[Redacted Reg 11(2)]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted
Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted
Reg 11(2)]@gov.scot>; Sue Kearns <Sue.Kearns@gov.scot>
Subject: RE: For comment by 16 Feb: CXC report on electricity market reform

Thanks for sharing this, [Redacted Reg 11(2)], and for the prompt via Teams.

I've only had time for a very quick scan of the draft (and from a consumer policy rather than HiB perspective), and so haven't been able to look at or suggest specific edits. [Redacted Reg 10(4)(e)].

[Redacted Reg 10(4)(e)]

Sorry this is a bit thin. I have a recollection that Ofgem commissioned some detailed analysis on locational pricing quite recently which went into these aspects in more detail and gave a qualified assessment of the distributional impacts, and which is probably worth revisiting.

Best,
[Redacted Reg 11(2)]

[Redacted Reg 11(2)]
Head of Heat Strategy and Consumer Policy Unit
[Redacted Reg 11(2)]
5 Atlantic Quay
150 Broomielaw
GLASGOW
G2 8LU
(Working days – Monday to Thursday)

Bringing in wider colleagues in TS, thanks.

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Sent: Thursday, February 8, 2024 4:31 PM

To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@transport.gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@transport.gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Subject: For comment by 16 Feb: CXC report on electricity market reform

Dear all,

We have received a draft final report from the CXC study on electricity market reform, which looks at the potential implications of Locational Marginal Pricing and alternatives for Scotland's ESJTP ambitions. The study was commissioned to inform our policy development for ESJTP, as well as our response to the UK Government's forthcoming Review of Electricity Market Arrangements (REMA). Some of you have attended the related Expert Panel sessions as observers or spoken to us bilaterally about wholesale electricity market reform, so thank you for engaging with us thus far.

We want to share the draft report with you as it explores issues relating to your policy area. We would welcome your input, particularly to flag any corrections that you think may be needed. [Redacted Reg 11(2)] and I, along with the CXC Project Manager and Steering Group members ([Redacted Reg 11(2)], UKERC and [Redacted Reg 11(2)], Scottish Futures Trust), are currently also doing a review.

Please could you provide any edits in track change using the following link, by close on **Friday 16 February**. Please note the final report will make it clear that the study does not represent the views of the Scottish Government. [Redacted Reg 10(4)(e)]

[Redacted Reg 10(4)(d)]

[Redacted Reg 11(2)] and I would be very happy to discuss further.

Many thanks in advance,
[Redacted Reg 11(2)]

[Redacted Reg 11(2)]
Strategic Lead, Wholesale Energy Markets | Energy Strategy and Markets Unit
Onshore Electricity, Strategy and Consents | Directorate of Energy and Climate
Change | Scottish Government
5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU
e: [Redacted Reg 11(2)]@gov.scot m: [Redacted Reg 11(2)]

My working days are Tuesday, Wednesday and Thursday

Document 018:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Tuesday, February 13, 2024 10:29 AM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: FW: IQ21_GB Electricity market reform: report for review

Hi [Redacted Reg 11(2)],

Just forwarding on comments from [Redacted Reg 11(2)] and [Redacted Reg 11(2)]
on the draft CXC/ERM report. [Redacted Reg 10(4)(e)].

Best,
[Redacted Reg 11(2)]

Document 018a: [Redacted Reg 10(4)(d)]

Document 023:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Tuesday, February 27, 2024 1:30 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@transport.gov.scot>
Cc: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)]
<[Redacted Reg 11(2)]@gov.scot>
Subject: RE: [Redacted Reg 11(2)] mentioned you in "20240206_CXC_GB electricity
market reform_report_DRAFT_v0".

Thanks [Redacted Reg 11(2)] 😊

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@transport.gov.scot>
Sent: 27 February 2024 13:19
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: [Redacted Reg 11(2)] mentioned you in "20240206_CXC_GB electricity market reform_report_DRAFT_v0".

Hi [Redacted Reg 11(2)],

I've made some minor changes.

Cheers,

[Redacted Reg 11(2)].

[Redacted Reg 11(2)]
Head of EV Infrastructure, Consumer Incentives and Fleets
Low Carbon Economy Directorate
Transport Scotland
Mobile: [Redacted Reg 11(2)]
Email: [Redacted Reg 11(2)]@transport.gov.scot
Mission Zero: www.transport.gov.scot/missionzero



Transport Scotland, the national transport agency
Còmhdaill Alba, buidheann nàiseanta na còmhdaill
Please see our privacy policy to find out why we collect personal information and how we use it

Document 024:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Wednesday, February 28, 2024 11:44 AM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: RE: CXC

Hi [Redacted Reg 11(2)],

Please see below response to [Redacted Reg 11(2)] points. Actioned simply means that I have noted this in the draft report or in the draft email to CXC/ERM. I'm just having another look over some of the comments and then I think I am, done with the review. [Redacted Reg 11(2)] from Hydrogen is reviewing just now (although may need [Redacted Reg 11(2)] to look).

[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Monday, February 26, 2024 9:25 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: CXC

Hallo!

I have finally read and marked up my comments on the doc – and tagged a few others. [Redacted Reg 10(4)(e)]

A couple of points to highlight:

- [Redacted Reg 10(4)(e)]
- I think it's helpful to highlight upfront that any change/reform will create a level of uncertainty that will require the design/UKG to consider- **Actioned**
- I think the temporal aspect would be helpful to bring in up front in more detail– i.e. sometimes the report is concluding against today's system – but given length of time that LMP might be expected to take to develop, the system would actually look different by then – so more network build will have happened etc. The report mentions LMP taking 'years' to implement and the 'sooner it happens, the better the benefits in certain areas will be etc' but I think a wider framing of the timing would help crystallise any ambiguity /subjectivity and help get the nuance of the challenges and opportunities a bit more- **Actioned**
- Pumped storage hydro – would like to bring that out the role of this /how this fits a little more in the report under storage and flex benefits – [Redacted Reg 10(4)(e)]
- I think we need to try and tease out the impacts on which bit of the pipeline- ie existing generation, that in the pipeline (that is consented and has CFD and under construction) that which is not yet consented etc? again if possible to get in to the nuance of the issue.- **Actioned**
- Consumers – there is a lot about consumers/consumer lens but nothing that brings it all together – and whilst not proposing we do that here I wonder if that help with something more strategic in the consumer space building on the research fellow we discussed.- **Noted as potential future work**
- [Redacted Reg 10(4)(e)] (not sure they are all the right things – but just thinking of that consumer lens, what about consumer volume risk for CFD etc, consumer risks related to cost of capital). [Redacted Reg 10(4)(e)] **Noted as potential future work**
- Community energy is also community decarbonisation not just generation so need to factor that in – have flagged. And some of the challenges re community energy are there anyway and not caused by LMP – I think that area needs strengthened as its quite weak just now.- **Comments in draft**
- Is it worth having case studies of what this would look like in Shetland versus what this would look like in Glasgow?- **Imagine out of scope at this stage in project; noted as potential future research.**

- Do we know if anyone (externally) is doing a CFD study (ie what a reformed CFD should look like?)- **Noted**
- Do you know why we didn't get the modelling behind the Afry study?

I want to go through a pick out my key take aways from this study – there are a lot – and perhaps we can discuss the next steps re ministers soon too .

[Redacted Reg 11(2)]

[Redacted Reg 11(2)]

Head of Energy Strategy and Markets Unit
Energy and Climate Change Directorate

Scottish Government

T: [Redacted Reg 11(2)]



If you receive this email late at night, early in the morning, or at the weekend - it means I am working flexibly. Flexibility works for me, but please do not feel that you should have to pick this up outside of your own normal working hours.

Document 025:

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Sent: Wednesday, February 28, 2024 2:13 PM

To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Subject: RE: CXC Report Review- Key Comments

Hi [Redacted Reg 11(2)],

No problem, will do.

Nothing yet from OWD. Still waiting on hydrogen too but [Redacted Reg 11(2)] sent the key H2 paragraph to [Redacted Reg 11(2)] and [Redacted Reg 11(2)] so that should get their attention.

[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Sent: Wednesday, February 28, 2024 2:06 PM

To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Subject: RE: CXC Report Review- Key Comments

Thanks [Redacted Reg 11(2)] , looks good. Could you just be explicit about what you mean by temporal aspects of LMP – I think it's about when it's introduced and the implications for potential savings. Instead of "we think it may be worth", just be clear that this is what we're asking of them.

So it's just OWD comments outstanding I think. Did you get any response from [Redacted Reg 11(2)]? I know they are snowed under too..

[Redacted Reg 11(2)]

From: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Sent: Wednesday, February 28, 2024 1:30 PM
To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>
Subject: CXC Report Review- Key Comments

Hi [Redacted Reg 11(2)],

Please see comments to ERM below.

[Redacted Reg 11(2)]

Some key points to consider going forward:

- We think there needs to be clarity at the start of the report as to the limitations of the study. By that we mean the limits to information available at the time of writing and also the limits to our ability to predict how the market/system will develop in the future. [Redacted Reg 10(4)(e)]. It is important that it comes across how finely balanced the potential costs/benefits are and that any projections and thinking are far from certain (please see collated comments on page 5)
- We think it may be worth saying up front at the start of the report that any/all market reform will lead to disruption & uncertainty that requires management.
- We think that it may be worth providing more detail and focus on the temporal aspect of LMP's impacts. I know this was a focus of comments from the steering group and on balance, it's probably right that we could be up front about this earlier. Highlighting the temporal issue as well as trying to provide some detail as to what this may look like (i.e. if FTI, Afry etc. have displayed how benefit diminishes over time).
- It would be helpful to tease out a little bit more how reforms might impact generation at different stages of development (i.e. in planning, consented, deployed etc.)
- You will see numerous comments from one of our analysts asking for footnotes, data sources etc. Grateful if these could be addressed as far as possible but understand it may not always be practical or feasible. They have also indicated it would be helpful to have an outline of the methodology for the SWOT tables. I have included a comment on page 7 in this regard.
- You will see comments on this but just flagging that we think there may be scope to build on the community energy section a bit.

[Redacted Reg 11(2)] | Senior Policy Manager
Energy Strategy and Markets Unit | Onshore Electricity, Strategy and Consents
Directorate of Energy and Climate Change | Scottish Government
5 Atlantic Quay, Glasgow, G2 8LU | [Redacted Reg 11(2)]@gov.scot



Document 027:

From: Ragne Low <Ragne.Low@gov.scot>

Sent: Wednesday, March 6, 2024 9:14 AM

To: [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>; [Redacted Reg 11(2)] <[Redacted Reg 11(2)]@gov.scot>

Subject: RE: CXC GB Wholesale Electricity Market Reform Review – SR Supplementary Note

Is there an upcoming meeting with SR for Ms McAllan? I think there are intro meetings with SSE and SP, and I assume with [Redacted Reg 11(2)] too. We will need to brief cab sec on this if so.
