

ANNEX A – Information to be released

Labour GB Energy Announcement – Lines (19 June 23)

TOP LINES

Scotland has the skills, talent and natural resources with which to become a global renewables powerhouse.

- Our draft Energy Strategy and Just Transition Plan sets out our vision: an energy system that delivers affordable, resilient and clean energy supplies and ensures a just transition for our oil and gas workforce as North Sea resources decline.
- Realising our vision will benefit communities across Scotland, provide high quality jobs, capture economic opportunities, and deliver affordability.

Our policy prospectus “ Equality, Community, Opportunity” sets out the outcomes we as a Government will have achieved over this Parliamentary term. We will have:

- Seized the major opportunities to attract a pipeline of investment across sectors to secure the economic and community benefits from the just transition to net zero, and ensured we continue to tackle fuel poverty, working with our advisory panel, to progress towards our statutory fuel poverty targets.
- Maximised the economic, supply chain, and employment opportunities of renewable hydrogen projects, and onshore and offshore wind, with up to £1.4 billion of developer supply chain commitments on average across ScotWind.
- Laid the foundations for delivering 5 gigawatts of hydrogen production by 2030 and the development of a hydrogen supply chain in Scotland.
- Worked with industry to accelerate decarbonisation and create energy transition opportunities at major industrial sites such as Grangemouth.

The Scottish Government is investing almost £5 billion over this parliament in the sector’s net zero energy transformation.

Including:

- £1.8 billion to accelerate heat decarbonisation this parliament, including at least £465m to support those least able to pay for transition.
- £300 million to promote roll out of zero emissions heat networks through our Scotland’s Heat Network Fund – making capital grant funding available to private and public sector organisations.
- £100m capital funding to support the Hydrogen Action Plan.
- £75m Energy Transition Fund (ETF) will support our energy sector and the North East, , to make progress on energy transition as we move toward a net zero society by 2045.
- Multi year support is being provided to every local authority in Scotland to develop Local Heat and Energy Efficiency Strategies.

PUBLIC INVESTMENT

“Setting up the public energy company that the SNP failed to deliver in 2017. GB Energy will be headquartered in Scotland, building on Scotland's proud energy and industrial history. It will serve all four nations of the United Kingdom.”

We are committed to maximising the public benefits of our renewables revolution and will explore all options open to us to do so.

- The Scottish Government is committed to securing a just transition to a net zero economy for Scotland.
- We have established Heat and Energy Efficiency Scotland as a virtual agency, which will act as a stepping stone to a dedicated body, to be established by 2025. The virtual agency will accelerate the transformational change required in how we heat and use energy in our homes and buildings.
- A national public energy company that is involved in major energy generation would only be possible in an independent Scotland where we had full powers over the energy market and full access to borrowing.

Background

- REDACTED
- Labour have previously proposed creating a new publicly owned Great British Energy company, funded through a new sovereign wealth fund and tasked with investing in renewable and alternative power projects.
- The Welsh Government announced in 2022 that they are launching a publicly owned energy generation company, which will initially develop onshore wind projects on the Welsh Government-owned woodland estate. REDACTED

GREEN JOBS AND SKILLS

“Doubling the number of jobs in low carbon sectors in Scotland, with 50,000 direct and indirect jobs in Scotland in the clean power sector alone.”

The Scottish Government is committed to ensuring a just transition, and skills are a critical component of that transition.

- Research from RGU (2021) highlights that a majority of offshore workers could be delivering low carbon energy by 2030 and that more than 90% of the UK's oil and gas workforce have medium to high skills transferability – they are well positioned to work in adjacent energy sectors.
- As oil and gas production naturally declines, jobs in low carbon energy production could increase to 77,000 by 2050, delivering a 7,000 net increase in jobs across the energy production sector compared with 2019.
- Our draft Energy Strategy and Just Transition Plan sets out our vision: an energy system that delivers affordable, resilient and clean energy supplies.

- Realising our vision will benefit communities across Scotland, provide high quality jobs, capture economic opportunities, and deliver affordability.
- The draft Energy Strategy and Just Transition Plan has been informed by a programme of independent work and analysis to better understand our energy requirements as we transition to net zero.

JUST TRANSITION FUND

Our £500 million Just Transition Fund has allocated £75 million to date, supporting projects and communities across the North East and Moray to create jobs, support innovation, and secure the highly skilled workforce of the future

- The Just Transition Fund was announced as part of the policy agreement between the Scottish Government and Scottish Green Party in August 2021 and represents a key intervention in the North East and Moray supporting the region to deliver a fair and managed transition to net zero.
- The £75 million in funding support is comprised of:
 - £50 million capital grant programme supporting 24 projects, including £1 million per annum ringfenced specifically for community projects through Just Transition Participatory Budgeting (PB) empowering communities and enabling them to have a direct say on where money is spent in their local areas and;
 - £25 million allocated to the Scottish National Investment Bank for 2023-24, to be invested in the North East, on a commercial basis and in line with the Bank's Investment Strategy, its missions including to support a Just Transition to net zero.
- Utilising the commercial investment expertise and experience of the Scottish National Investment Bank is an opportunity to unlock third party finance at the scale required to meet our ambitions for a just transition in the region.
- The Fund sends a clear signal of our support for the North East and Moray however government alone cannot finance the region's journey to net zero.
- The UK Government has refused to even match our £500 million Just Transition Fund, despite the £300 billion that has flowed to the Treasury from North Sea oil since the 1970s. The UK Government's own Green Jobs Task Force recommended it set out how it will match support available through the EU Just Transition Fund, they have completely failed to do this.

Just Transition Fund: Year 1 Projects

Projects supported in the first year of the fund include:

- £11 million on a package of skills interventions supporting the transferability of workforce across sectors to meet the needs of the net zero transition including: a digital offshore energy skills passport; and an advanced manufacturing skills hub £30 million on innovative projects and approaches, including two targeted innovation funding support schemes: the Social Enterprise Just Transition Fund and supply chain pathway and challenge fund; and a digital innovation lab.

- £3 million testing and promoting emerging technologies such as EV battery recycling technology, offshore green hydrogen, and decommissioning; and
- £4 million empowering and investing in communities, with our participatory budgeting approach and through specific community projects in ecovillages, adaptation and local climate assemblies.
- We also ring-fenced £1m of the Fund in 2022/23 for participatory budgeting, which we will continue every year over the lifetime of this parliament.

HEAT IN BUILDINGS

“Driving forward with creating a clean power system by 2030 saving Scottish households £8.4bn over the rest of this decade, which, combined with Labour’s Warm Homes plan, will mean up to £1,400 off bills for every family in Scotland every year.”

Our 2021 Heat in Buildings Strategy outlines an ambitious programme to reduce emissions from our buildings.

- Our long-standing programmes have already supported over 150,000 households in or at risk of fuel poverty.
- We are committed to investing at least £1.8 billion over this Parliament towards heat and energy efficiency measures.
- We will provide at least £465 million to support those least able to pay which includes support in local areas to target energy efficiency measures at those who need it most through our Area Based Schemes.
- We will provide at least £200 million through the Scottish Green Public Sector Estate scheme, supporting leadership for energy efficiency and heat decarbonisation right across the public sector.
- We are committed to phasing out the need to install new or replacement fossil fuel boilers and to requiring improvements in the energy efficiency of Scotland’s building stock from 2025.
- We have now introduced legislation, through Building Regulations, to ensure that, from 1 April 2024, the use of direct emissions heating systems in all new buildings is prohibited through our New Build Heat Standard (NBHS).
- We will be consulting on a Heat in Buildings Bill this year, which sets out our proposals for regulating zero emissions heat and energy efficiency across Scotland’s homes and buildings from 2025.
- Our new virtual agency, Heat and Energy Efficiency Scotland, will coordinate the launch and delivery of a national conversation and public engagement campaign.

COMMUNITY ENERGY

News reports note that: *‘The Local Power Plan will...empower communities to come forward with their own bespoke projects for renewable energy projects directly owned by local people.*

Communities are at the heart of our renewable energy ambitions and community energy has the potential to play a pivotal role in achieving a just transition.

- That is why we continue to invest in CARES, our Community and Renewable Energy Scheme, which provides advice and support – including funding – to communities across Scotland, looking to develop their own renewable energy, heat decarbonisation and energy efficiency projects.
- To date, CARES has advised over 900 organisations and provided over £60 million in funding to communities, supporting over 680 projects. It has supported the installation of 57.9MW of renewable energy.

We also want communities to benefit from wider renewable energy developments and we have strong ambitions in relation to community benefits and shared ownership.

- Community benefits are a well-established, integral part of renewable energy developments in Scotland, enabling communities to benefit from our vast natural energy resources.
- Supported by our longstanding Good Practice Principles, our Community Benefits Register indicates that Scottish communities have received over £194 million from renewable energy projects to date – including a record £25 million last year (2022). This will continue to rise as we realise our ambitions for growth.
- In addition, community shared ownership projects support our ambition for increased levels of local ownership by giving community groups the chance to make an investment in a commercially owned renewable energy project.
- We encourage developers to offer community benefits and shared ownership opportunities to communities as standard on all new renewable energy projects, including repowering and extension to existing projects.

OFFSHORE OIL AND GAS

The Scottish Government is absolutely committed to a just transition, and ensuring we take workers with us on our journey to net zero.

- We will not do to the North East what Thatcher did to our mining and steel communities.
- Unlimited extraction of fossil fuels is not consistent with our climate obligations and is not the solution to the energy price crisis.
- Through our draft Energy Strategy and Just Transition Plan, we have set out a clear pathway to deliver on global commitments and capitalise on the enormous opportunities offered by becoming a net zero economy.
- Our focus must be meeting our energy security needs, reducing emissions and ensuring a just transition for our oil and gas workforce as North Sea resources decline.
- That means simply stopping all future activity overnight is wrong.

ROSEBANK

- With so much at stake, it is vital that we take an evidence-based approach to the energy transition. That is why we are calling for a robust and transparent climate compatibility test to be applied to all new developments.

Background

- REDACTED

Decisions on oil and gas exploration and licensing remain reserved to the UK Government.

- We called on the UK Government to hold a four nations' discussion to agree the Climate Compatibility Checkpoint process – a call which was ignored.
- It is disappointing that the Climate Compatibility Checkpoint introduced by the UK Government is not transparent and lacks teeth, demonstrating that the UK Government is not serious about the climate crisis.
- Instead of licensing for more fossil fuel extraction, the UK Government should be encouraging investment in renewables and supporting a just transition for our energy sector and for Scottish households and businesses.

NET ZERO POWER SYSTEM

We are scaling up renewable energy and taking action to transform and expand Scotland's energy generation sector.

- By 2030, domestic production of renewable electricity and renewable hydrogen will have increased significantly, helping to address climate change by substantially reducing the emissions of our energy sector.
- Powers to regulate the electricity sector, including regulating the market for electricity generation, sit with the UK Government.
- The Climate Change Plan update (2020) set out Scottish Government's ambition for a net zero electricity system by 2032, and the UK Government has set out a commitment to a UK-wide net zero electricity system by 2035.
- Remaining emissions in the Scottish electricity system relate to Peterhead combined cycle gas turbine, island back up power diesel generators and a number of energy from waste sites.
- The draft ESJTP makes it clear that Scottish Government is opposed to the continued use of unabated fossil fuels to generate electricity, and work is underway as part of the next Climate Change Plan to reduce emissions in this sector through policies targeted at these three sources.
- CCUS is vital for a just transition to net zero. The Climate Change Committee describes CCUS as a "necessity, not an option" to achieve net-zero emissions.
- The development of strategically located CCUS infrastructure in Scotland's industrial clusters in Grangemouth and the North East could protect and ensure the just transition for important domestic industries into a low-carbon future, protecting jobs and utilising existing skills.

- The UK Government needs to provide urgent certainty on the timeline and funding for awarding Track 2 status to the Scottish Cluster. Their continued delays are entirely unacceptable and are impacting investor confidence and compromises our climate change commitments and just transition ambitions.
- Background
- In late 2022, Labour said the Scottish cluster would be funded as one of the first projects made by a state-owned investment fund, however we have yet to see detail in the current proposals.

NUCLEAR

The Scottish Government does not support the building of new nuclear fission power stations in Scotland under current technologies.

- New nuclear power would take years, if not decades, to become operational and would also be expensive – pushing up household bills.
- As set out in our draft Energy Strategy and Just Transition Plan, significant growth in renewables, storage, hydrogen and carbon capture provide the best pathway to net zero by 2045 and will deliver a climate friendly energy system that delivers affordable, resilient and clean energy supplies for Scotland's households, business and communities.
- Whilst Small Modular Reactors (SMRs) are innovative in their size and construction technique, they use the same method of electricity generation as traditional nuclear fission. This means the same environmental concerns as traditional nuclear power plants and their economic competitiveness is still to be proven in practice, once deployed.
- Existing nuclear is expensive: under the current contract awarded by the UK Government to Hinkley Point C, the electricity that will be generated will be priced at £92.50 per megawatt hour [2012 prices].

Background

- REDACTED

ELECTRICITY MARKET REFORM

Harnessing our low carbon and low cost renewable resources is our most likely pathway to net zero.

- Already one of the cheapest forms of energy, renewables have a vital role to play in supporting long-term affordability of our energy and we want to see these benefits passed on to consumers.
- We welcome the intention set out by UK Government in its Energy Security Strategy to deliver wholesale electricity prices that rank among the cheapest in Europe by 2035, and to consult on how to rebalance the wholesale price of gas and electricity.
- We are concerned that the current approach being taken to reform our GB electricity market presents a disconnect between reform of wholesale and retail markets.

ASKS OF THE UK GOVERNMENT

Our draft Energy Strategy and Just Transition Plan sets out the actions the UK Government needs to take action and work with Scottish Government under the current constitutional settlement to deliver Scotland's full energy potential.

- The planning system has a crucial role to play and we have engaged extensively with the UK Government to seek devolution of the necessary powers to Scotland, to ensure a modernised grid consenting regime that is fit for purpose.
- The UK Government needs to provide urgent certainty on the timeline and funding for awarding Track 2 status to the Scottish Cluster. Their continued delays are entirely unacceptable and are impacting investor confidence and compromises our climate change commitments and just transition ambitions
- The First Minister recently wrote to the PM to call for pumped hydro to be afforded a market mechanism, similar to that already enjoyed by other renewables. Pumped hydro projects will not move forward without mechanisms for revenue certainty or risk management, which need to be put in place by the UK Government and Ofgem.

{for reference – embargoed press release}

NEWS FROM SCOTTISH LABOUR

LABOUR'S ENERGY REVOLUTION WILL BE MADE IN SCOTLAND – STARMER PLEDGES GB ENERGY HQ WILL BE IN SCOTLAND

EMBARGOED: 00:01 MONDAY 19TH JUNE 2023

Labour's world leading plan to make Britain a clean energy superpower by 2030 will be "made in Scotland", Keir Starmer will pledge as he announces that GB Energy, Labour's publicly-owned energy company, will be headquartered in Scotland.

A Labour government will create Great British Energy (GBE), a new, publicly-owned clean energy generation company that will harness the power of Britain's sun, wind, and waves to cut energy bills and deliver energy security for our country.

On Monday, Keir Starmer will expand on Labour's mission to deliver cheaper zero carbon power by 2030, including plans to attract investment in the UK's industrial heartlands - and will directly benefit Scotland particularly communities linked to the oil and gas industry.

Recent analysis by the Labour Party has found that, under Labour's Green Prosperity Plan to invest in British clean energy, the number of jobs generated in Scotland in the clean power sector alone would more than double compared to under the SNP.

Labour's commitment to rapidly create jobs in the renewables industry will particularly benefit Scotland given its extraordinary renewable energy assets and stands in stark contrast to the abysmal records of both Conservative and SNP

governments, which have resoundingly failed to deliver on promises made to workers in the offshore wind industry.

The SNP's own promise for a Scottish publicly-owned energy company was famously scrapped, and their promise to create 130,000 green jobs by 2020 was abandoned, with just 20,500 green jobs being delivered by that point.

Speaking alongside Anas Sarwar, Keir Starmer will set how Labour will succeed where the SNP and Conservatives have failed and outline three key benefits for Scotland of Labour's Green Prosperity Plan:

- setting up the public energy company that the SNP failed to deliver in 2017. GB Energy will be headquartered in Scotland, building on Scotland's proud energy and industrial history. It will serve all four nations of the United Kingdom.
- doubling the number of jobs in low carbon sectors in Scotland, with 50,000 direct and indirect jobs in Scotland in the clean power sector alone.
- driving forward with creating a clean power system by 2030 saving Scottish households £8.4bn over the rest of this decade, which, combined with Labour's Warm Homes plan, will mean up to £1,400 off bills for every family in Scotland every year.

Keir Starmer MP, Leader of the Labour Party, said: "The route to making Britain a clean energy superpower, slashing energy bills and creating tens of thousands of quality jobs runs through Scotland.

"That is why GB Energy, our publicly owned energy company, will be headquartered in Scotland, the heart of the British energy industry.