

Discussion Paper - *Energy Supply Chains*

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Overview

BACKGROUND

The recently published Scottish Government [Energy Strategy](#) sets out the vision to 2050, which will see Scotland's transition to a low carbon energy future. There is a role for all in achieving this, which will provide more opportunities right across the energy supply chain – from manufacturing and engineering to the development of new technologies. This discussion group will explore actions needed to support our industries and workforce, and also consider the steps that those industries and individual businesses can take, to ensure that we maximise the benefit of our renewables industry for Scotland.

Collectively, we want to continue removing barriers to energy efficiency and decarbonisation investment, building on recently used devolved powers. The Strategy places a sharp emphasis on the energy sector's economic role, benefits and potential, from established technologies to those that are new or still emerging. The energy sector already supports thousands of jobs across Scotland, generating billions of pounds in turnover. Scottish yard and workers are already fabricating and manufacturing some of the components that will power our energy future; supply chains are growing and opportunities for innovation are immense.

Years of expertise gained through oil and gas operations in the North Sea have provided vital skills that are helping overcome engineering and innovation challenges presented by moving to a low carbon future. However our supply chain continues to face a variety of issues including:

- No route to market for certain technologies due to removal/lack subsidies
- Current skills required and those that will be required in the future
- Lack of 'route map' as to how the 2030 and 2050 targets set out in the Energy Strategy are achieved
- Challenges posed by Brexit, particularly the risk to skills
- Long term 'patient' investment

The Scottish Government, enterprise agencies and other partners continue to work closely with industry to maximise the supply chain benefits of development in Scotland:

- In last year's Programme for Government we set out our radical vision for the future of the Scottish Economy, embodied by our commitment to Scotland being an innovative, low carbon and high productivity economy

- We have developed and implemented a wide range of policies with our industrial and economic ambitions at its core.
- These include the City Deals, Enterprise & Skills Review Phase 2, the Manufacturing Action Plan and the Innovation Can Do Plan.
- Our Strategic Board for Enterprise and Skills has been tasked with focussing our billions of pounds investment in key sectors and harnessing the knowledge of our universities and colleges.
- £35 million has been made available through Community and Renewable Energy Scheme (CARES) since 2013 to support community and local energy
- We have announced a £60 million Innovation Fund to deliver low carbon energy infrastructure solutions.

Additional supply chain opportunities could potential arise from changes to our energy system such as the decentralisation of electricity generation, major new sources of demand associated with the decarbonisation of heat and transport and decommissioning in nuclear and oil and gas industries.

The following questions seek your opinion on these measures and will be the focus of the facilitated sessions:

Possible Questions

- What support is required to maximise supply chain opportunities within the energy industry?
- Taking account of the actions within the Scottish Government's Energy Strategy, what further action can be taken.
- What role can industry play in delivering the targets in the Strategy?
- What is your experience of working with Scottish Government agencies eg Scottish Enterprise, Highlands and islands Enterprise, Scottish Development International? And what more could they do to help you bring your product to market?
- What action can industry take to increase export opportunities for the Scottish supply chain?
- What are the key barriers do you see in your sector and how could these be resolved?
- How do you attract skilled people into your business?