

Second meeting of the Just Transition Commission Power generation and distribution

10 April 2019, 10:00 – 16:00

Coalfields Regeneration Trust Enterprise and Learning Hub, Kincardine

Commission attendees

Professor Jim Skea (Chair)
Lang Banks, representing WWF Scotland
Colette Cohen
Richard Hardy, representing Prospect
Charlotte Hartley, representing 2050 Climate Group
Norman Kerr
Rachel McEwan
Dave Moxham, representing STUC
Tom Shields

For agenda item 3 only

Andrew Sim, Fife Council
George Sneddon, Fife Council
Pauline Douglas, Coalfields Regeneration Trust
Pauline Grandison, Coalfields Regeneration Trust

For agenda item 4 only

Scott Mathieson, Scottish Power Energy Networks
Nick Sharpe, Scottish Renewables
Gary Smith, GMB Scotland

Secretariat attendees

Colin Seditas, Scottish Government
Gregor Auld, Scottish Government

1. Welcome and overview of the agenda

Professor Jim Skea welcomed everyone to the meeting.

Apologies were received in advance from Professor Karen Turner and Kate Rowell. The Chair informed the Commission that Professor Duncan MacLennan had confirmed he would be unable to take up his place on the Commission due to work and family commitments.

2. Secretariat overview preparation for information gathering sessions

The secretariat gave a brief update on matters arising since the first meeting.

Discussion then turned to the next agenda item, an information gathering session with a focus on lessons learned from the closure of Longannet power station in 2016.

The Commission went around the table sharing what they hoped to explore during the session.

3. Information gathering session 1 – lessons learned

The Chair welcomed guests to the session, and explained the Commission’s interest in examining the closure of Longannet power station in 2016 with a view to exploring lessons that could be learned. Guests were invited to give brief introductory remarks summarising their background and involvement in the task force that had been set up in response to the closure of Longannet.

The impact of the closure on both the workforce and the local community was raised. Significant effort had been made into tracking outcomes for employees at the site, although it was noted there had been difficulties in understanding outcomes for contractors on the site. Guests reported that a majority of employees were reported to have arrived at a “positive destination” following closure of the plant. Commissioners agreed more detail was needed from the statistics to understand outcomes for workers more fully. Despite this, there was agreement that support offered through PACE¹ had generally been effective.

The precise nature of the impact on the local economy was acknowledged as being difficult to measure, but it was said to have deepened feelings of economic isolation felt by many in the nearby communities. Immediate issues such as employment were dealt with by the task force, but wider issues such as problems relating to transport and connectivity were not able to be addressed. The need to consider these wider concerns was raised as being an important factor when responding to events of this nature.

The Commission explored the extent to which the local community had been aware of the imminent closure of the power station and whether there was adequate time for Government and agencies to prepare. The early closure of the plant was agreed to have proven problematic, with some in the community surprised and unprepared. The establishment of a task force with Ministerial leadership was felt to have helped drive actions forward and allow for issues to be dealt with at pace. Difficulties were noted in relation to transitioning the workforce into alternate employment in advance of the closure, partly because of the requirement to keep the station running. Against a backdrop of public sector budget constraints, it was felt that it was difficult to plan too far in the future, with a focus on immediate delivery more common.

There were questions around the level of funding made available to respond to the closure. While initially there was no additional resource made available, some capital spend was later redirected by Scottish Government to help with the response. It was felt that, at a council level, there were relatively few levers to generate employment of equivalent quality to what had been available at the power station. The inclusion of the Longannet site as part of the Fife Energy Corridor in the National Planning

¹ Partnership Action for Continuing Employment

Framework was noted as an example of this, as this was not accompanied by any financial or regulatory resource.

The potential future use of the site by Talgo was discussed, along with the timelines for clearing the site to allow the investment to take place. Progress was largely reliant on the company engaging and being willing to cooperate on the future use of the site. The need for full transparency over plans for the site was said to be vital to allow forward planning, and ensure the site could be returned to economic use. Cases where companies had failed to clear former sites, such as derelict coal mining sites, were noted as showing the importance of repurposing the site back into use.

There was discussion around benchmarking and how success was measured by the task force. While many of the indicators used by the task force were process-based, individual business cases that were brought to the task force were more focused on the measurement of outcomes. There had been no consideration of benchmarking against other areas or instances of similar closures at the time but it was agreed that it may have been helpful. The Scottish Government's inclusive growth diagnostic was mentioned as potentially providing a helpful way of understanding the impact of the closure on the surrounding area.

The Chair finished by thanking guests for participating in the session, noting actions to be followed up.

Action point 1: Fife council to share detailed statistics on outcomes for workforce

Action point 2: Fife council to share timeline for future use of site

Action point 3: Commission to share paper on international approaches to just transition

4. Information gathering session 2 – forward look

The Chair welcomed the guests for the second information-gathering session of the day and explained the intention of the session was to explore future opportunities and challenges in the power sector. Guests were invited to make a brief introductory remark summarising their involvement in the sector before the session turned to questions from Commissioners.

There was discussion around the levels of new employment generated to date within the renewables industry, along with the difficulties associated with developing a supply chain in Scotland. The recent offshore developments to be announced (and lack of Scottish-sourced components) was noted, along with concerns over whether Scottish companies were competing on a level-playing field with foreign competitors. The successes in the industry to date were also noted, including jobs created from collaboration between industry, government and academic centres of excellence.

Lessons from the experience of wind power were discussed, particularly for areas where Scotland currently has an advantage in the development of new technologies, such as marine energy. There was emphasis on the importance of Government

providing certainty and support to help grow the supply chain in these sectors. Opportunities were said to still exist in the development of smart grids to support the electricity networks of the future, which may in turn create opportunities for employment. The need for support, from early stages through to commercialisation, from Government was felt to be key.

The nature of the current relationship between the Oil and Gas and the renewables industries was discussed. This was said to have gradually grown, with more dialogue now about potential opportunities. The number of roles that could be created by wind farm developments was questioned, excluding those created during the manufacturing and construction phase of development.

The split of value between manufacturing, construction, maintenance and operation of renewables developments was debated.

Opportunities for employment in electricity transmission and distribution were said to likely come from replacement demand (as some of the current workforce retire) and also from new opportunities resulting from continued growth in the sector. The electrification of transport was suggested as one possible source for this growth, along with development of the modern grid.

The question of what support was needed to capitalise on opportunities was then raised, and whether commitments such as those contained in the Offshore Wind Sector Deal led to the creation of jobs. It was felt the deal was welcomed by industry but there was debate over how the commitments would be measured and delivered. The need for clear policy signals from government were reinforced as being vital to providing industry with the stability and direction required to invest. This was also said to be vital for universities and colleges, given the role they play in developing the future workforce. There was also a statement of the need to link consents for developments more firmly to jobs and ensure that economic benefits were fully realised to Scotland.

The Chair finished the session by thanking the guests for participating and noted the following actions.

Action point 5: Scottish Renewables to share evidence on breakdown of value for wind farm developments

Action point 6: Scottish Renewables to share research on wind farm manufacturing in Scotland

Action point 7: GMB to share further research into companies winning offshore manufacturing contracts

5. Review of information gathering sessions

The Commission considered the main findings from the two information gathering sessions. The format was agreed to generally have worked, though ensuring guests

submit structured information in advance was noted as being helpful in facilitating productive conversations.

Discussion turned to areas where it was felt more information was required. It was agreed that it would be beneficial to commission independent work looking at opportunities and challenges in the sector in more detail. Mention was also made of the need to get a more detailed understanding of current and potential future workforce and the possibility to undertake research on this. Finally, the upcoming Ministerial roundtable scheduled was noted and it was agreed that it would be beneficial to capture the outputs resulting from this.

Action point 8: Chair and secretariat to explore commissioning independent work done looking at opportunities/challenges in the sector

Action point 10: Secretariat to explore potential avenues for research on renewables jobs

Action point 11: Secretariat to capture outputs from Ministerial roundtable looking at manufacturing opportunities for offshore wind in Scotland (May 2019)

6. Draft outline for JTC report

The secretariat introduced a brief paper outlining a proposed structure for the final JTC report. The structure was noted and with several amendments and additions agreed. It was felt the style should be accessible to a wide audience, that without a background in the field. It was agreed one way to make this easier would be to produce a separate executive summary of the report alongside a more detailed report.

Action point 12: Secretariat to share revised draft outline

7. Communications plan

The secretariat then introduced a draft communications plan for the Commission, taken as an action at the last meeting. This was noted by the group – the need to prioritise was noted and ensure that there was sufficient capacity to carry everything out. It was requested the secretariat develop a PowerPoint slide deck to assist Commissioners appearing at events.

Action point 13: Revisit communications plan and further consideration of secretariat capacity

Action point 14: Secretariat to draft PowerPoint for Commissioners to use when attending events

8. Work plan development

The session closed with discussion of future meetings including the content that it would be helpful to explore along with appropriate locations. A single Commissioner was agreed as being the lead for each meeting in the work plan, and the secretariat

were asked to update the work plan to reflect this. The possibility of a community event held near Kincardine was raised and the Commission agreed to explore possibilities for this in advance of the next meeting. Finally, there was discussion of research needs and the appointment of a final Commissioner to replace Professor Duncan MacLennan. The secretariat confirmed they would follow this up in advance of the next meeting.

Action point 15: Secretariat to set dates for next meetings

Action point 16: Secretariat to update work plan to reflect agreement on topic leads and meeting locations

Action point 17: Secretariat to explore opportunity for community “Lessons Learned” event