

## Island Communities Impact Assessment

### Introduction to the Islands (Scotland) Act 2018

The Islands (Scotland) Act 2018 provides for a new duty on the Scottish ministers and other relevant public bodies that they must have regard to island communities in exercising their functions and in the development of legislation.

Section 13 of the 2018 Act obliges Scottish ministers to prepare an island communities impact assessment (ICIA) in relation to legislation which, in their opinion, is likely to have an effect on an island community which is significantly different from its effect on other communities in Scotland.

Section 13 of the 2018 Act states that an ICIA must:

- a) Describe the likely significantly different effect of the legislation
- b) Assess the extent to which the Scottish ministers consider that the legislation can be developed in such a manner as to improve or mitigate, for island communities, the outcomes resulting from the legislation
- c) Set out the financial implications of steps taken under this subsection to mitigate, for island communities, the outcomes resulting from the legislation.

The [Scottish Government's Island Communities Impact Assessments guidance](#) sets out four stages that must be undertaken prior to preparing an ICIA. These are:

- a) Developing a clear understanding of the objectives and intended outcomes of the policy, strategy or service including any island needs or impacts
- b) Gathering data, identifying evidence gaps and identifying stakeholders
- c) Consulting with appropriate stakeholders
- d) Assessing whether there are any issues resulting from the proposed policy that are significantly different from those that would be experienced on the mainland, or on other islands

If any significantly different impacts are identified, an ICIA will be required.

## **Objectives:**

The Onshore wind policy statement sets a new ambition for onshore wind deployment out to 2030. There is currently around 8.7 GW deployed and the final onshore wind policy statement will state our ambition for a further 12GW by 2030 (20 GW in total)

The Climate Change Committee (CCC) has developed four exploratory scenarios for emissions to 2050. These estimate that, in every scenario, the UK will require a total of 25-30GW of installed onshore wind capacity by 2050 to meet government targets - which would mean doubling the current UK installed capacity.<sup>1</sup>

A strong signal is needed, and a clear expectation on what we believe onshore wind capacity will contribute in the coming years.

As part of policy development, the Scottish Government consulted on a draft onshore wind policy statement in late 2021/early 2022. This took the form of a consultation document with a 12 week response time and a series of stakeholder engagement events including one to one meetings with key stakeholders.

Islands are not specifically identified in the policy statement. However, the value and importance of Scotland's rural communities are acknowledged. Scotland's natural capital is also recognised as one of our greatest assets.

Scotland's onshore wind sector can bring many and considerable benefits to rural areas, ranging from the delivery of jobs and investment, to restoration and protection of our natural habitats.

The intended impact of this policy is to signal to industry the Scottish Government's continued support for onshore wind and, where possible and within devolved powers, to create a supportive framework for its deployment. These intended impacts do not differ for island communities.

The increased ambition is new, however the overall policy of a supportive environment for onshore wind is not.

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<sup>1</sup> [Sector-summary-Electricity-generation.pdf \(theccc.org.uk\)](#)

## Data and stakeholders:

Scotland has around 13.6 GW of installed renewable electricity capacity operational as of September 2022. This is a 11.7% increase from September 2021. The bulk of the additional capacity has come from an increase in offshore wind capacity in the first quarter of 2022. Most of Scotland's operational renewable capacity comes from onshore wind (8.8 GW), with offshore wind (2.1 GW) increasing in the last few years.

<b>Onshore Wind: Installed capacity at Local Authority Level 2021 <sup>2</sup></b>	
<b>Local Authority Name</b>	<b>MW</b>
Aberdeen City	1.4
Aberdeenshire	509.5
Angus	18.9
Argyll and Bute	391.4
City of Edinburgh	0.1
Clackmannanshire	42.4
Dumfries and Galloway	798.9
Dundee City	0.1
East Ayrshire	368.1
East Dunbartonshire	0.0
East Lothian	210.1
East Renfrewshire	361.1
Falkirk	42.5
Fife	99.9
Glasgow City	3.1
Highland	1887.9
Inverclyde	26.4
Midlothian	50.0
Moray	501.2
Na h-Eileanan Siar	46.1
North Ayrshire	112.9
North Lanarkshire	24.4
Orkney Islands	52.2
Perth and Kinross	315.2
Renfrewshire	0.0
Scottish Borders	641.4
Shetland Islands	13.8
South Ayrshire	652.0
South Lanarkshire	1241.2
Stirling	157.1
West Dunbartonshire	0.0
West Lothian	105.1

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<sup>2</sup> [Regional Renewable Statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

**Islands projects: Outcome of Contracts for Difference (CfD) Allocation Round 4 which commenced on 13 December 2021.**<sup>3</sup>

<b>Project Name</b>	<b>Technology Type</b>	<b>Size (MW)</b>	<b>Strike Price (£/MWh)</b>	<b>Delivery Year</b>	<b>No. of phases</b>
Stornoway Wind Farm	Remote Island Wind (RIW)	200.00	46.39	2026/27	1
Orkney Community Wind – Hoy Farm Project - Hoy	Remote Island Wind (RIW)	28.80	46.39	2026/27	1
Orkney Community Wind Farm Project - Quanterness	Remote Island Wind (RIW)	28.80	46.39	2026/27	1
Mossy Hill	Remote Island Wind (RIW)	48.00	46.39	2026/27	1
Beaw Field	Remote Island Wind (RIW)	72.00	46.39	2026/27	1
Viking Wind Farm	Remote Island Wind (RIW)	220.00	46.39	2026/27	1

The draft onshore wind policy statement consultation received responses from key island stakeholders:

Argyll and Bute  
 Coimhearsnacht Bharraidh agus Bhatarsaidh (Barra & Vatersay Community)  
 Comhairle nan Eilean Siar  
 The Highland Council  
 Orkney Sustainable Energy Ltd  
 Save Shetland  
 Shetland Islands Council

Responses to the consultation did not highlight any differences between islands.

There are no specific design features or mitigations for island communities within the policy statement. Deployment of onshore wind can bring multiple benefits to rural communities. These benefits range from the delivery of jobs and investment to the restoration and protection of natural habitats.

<sup>3</sup> [Contracts for Difference \(CfD\) Allocation Round 4: results - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/contracts-for-difference-cfd-allocation-round-4-results)

## Consultation:

We have already consulted as part of the onshore wind policy statement and received several responses from island stakeholders. A summary of issues identified can be viewed below.

[Onshore wind - policy statement refresh 2021: consultative draft - gov.scot \(www.gov.scot\)](https://www.gov.scot/Onshore-wind-policy-statement-refresh-2021-consultative-draft)

The following points were made by consultees:

- The higher transmission charges which island generation have to pay were considered to be unfair and are a barrier to increasing deployment of onshore wind. The Ofgem decision to apply charges to generation of less than 100MW was also seen as a barrier for community projects.
- There is a disproportionate reliance on islands to generate electricity for other parts of the UK. Island communities do not see sufficient benefits from providing this additional capacity. Energy storage and hydrogen production should be encouraged alongside onshore wind to help reduce costs for island communities. This would also help efforts to decarbonise local heat and transport.
- There needs to be greater emphasis on providing wider community benefits such as provision of training programmes, education, apprenticeships. These can have wider economic benefits and there should be clear and strong encouragement.
- There is potential that onshore wind could negatively impact on tourism due to the visual impact on landscape and short-term impacts could result from congestion on roads during construction phase.

The consultation document was clear on the objectives for Onshore wind. Information was provided in clear and concise format. The consultation was open for 12 weeks and stakeholders were encouraged to respond to the questions on how to tackle the barriers to deployment, and how to secure maximum economic benefit from onshore wind developments.

## Assessment:

- Does your assessment identify any unique impacts on island communities?

No, although the impacts are potentially significant they are not unique to island communities.

- Does your assessment identify any potential barriers or wider impacts?

Consultation responses from Island communities identified the proposed changes to the Transmission Network Use of System (TNUoS) and the exclusion of schemes under 5MW from the Contract for Difference (CfD) scheme as barriers to further deployment of onshore wind and to discriminate against smaller scale community projects.

- How will you address these?

TNUoS charges remain a key barrier to Net Zero in Scotland. Ofgem's own analysis suggests that by 2040 Scottish renewable & low carbon generators will be the only ones to pay a wider TNUoS charge, with all others (including gas generators) elsewhere in GB being paid credits.

In a net zero world, it is counterproductive in the extreme to care more about where generation is situated than what type of generation it is. A new approach is needed here, rather than small modifications to methodologies.

The Scottish Government will continue to raise the issue of transmission charges with Ofgem and the UK Government and push for a fairer solution that recognises the renewable capability of Scotland.

The Scottish Government strongly supports the continued availability of the CfD scheme and recognises this financial mechanism as being the most secure investment option for onshore wind developers right now.

The success of AR4, and that of future rounds, plays a critical role in the ability to achieve our onshore wind ambition in Scotland and we expect more repowered sites to be able to compete in the coming years.

**A full Islands Community Impact Assessment is NOT required**

In preparing the ICIA, I have formed an opinion that our policy, strategy or service is **NOT** likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities). The reason for this is detailed below.

Reason for not completing a full Islands Communities Impact Assessment:

The issues raised in response to the Onshore Wind Policy Statement Refresh 2021: Consultative Draft are not exclusive to island communities. They are equally relevant to Onshore Wind Policy for mainland Scotland as well.

Screening ICIA completed by (name)	Stephen Corrie
Position	Senior Policy Officer Onshore Electricity Policy
Signature and date	09 December 2022
ICIA authorised by (we recommend DD level)	Ragne Low
Position	Deputy Director for Onshore Electricity Policy, Strategy and Consents
Signature and date	24 March 2023