

## SUBMISSION FROM JIM GRANT, MORAY COUNCIL

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Supply and whether there is sufficient generation to meet demand, in particular to the end of the decade. What role will new generation that is under construction, or has been consented play? The Scottish Government aims to have a “largely decarbonised electricity system by 2030”. What does this mean in practice, and are there sufficient tools in place to bridge the move from fossil fuels to renewables?

The need for low carbon technology and efficient use of heat including the provision of heat networks or infrastructure are part of a complex mix of energy generation and distribution, companies need to remain competitive on a global market and the transition to low carbon combined with efficient technologies offer a chance for companies in Scotland to lead the way developing efficient and effective processes and technology.

The main barrier is the cost of infrastructure in rural areas, it can inhibit the provision of small scale renewables due to local grid capacity. The gas network (single main supply pipe) in the North East is at capacity and is preventing the move from oil to more efficient and lower carbon gas for the distillery industry placing significant costs on the industry which will be damaging for reputation and competitiveness if the inadequate infrastructure needs are not addressed.

Infrastructure costs in rural areas for gas, electricity and heat networks can be prohibitive, this inhibits the opportunities for investment in renewable generation and limits choice and opportunity to residents which impacts on the minimum income standard required for rural households.

How predictable/

How predictable peak demand is at present, and how is this likely to change in the coming decade. In particular, what impact will the development of demand side response have? What could be done to improve developments in this area?

Greater use of heat and the provision of heat infrastructure through district heating networks offer an opportunity to efficiently produce, store and transport energy but require sufficient financial support to justify the investment costs and demand side response associated with heat storage is one potential solution that needs to be considered.

A number of new transmission network projects are currently under construction or being planned. What role will these have in securing electricity supplies, and where should future investment be directed? What role might the distribution network, and a single European electricity market play in securing supplies?

A single European market and connection from Scotland to the European grid offers opportunities to balance renewable generation and demand across Europe and exploit Scotland’s renewable potential to the fullest.

A number of significant changes to the electricity market have recently been finalised and are being put in place to ensure competition and cost reflective prices for

consumers. Are policies such as the Capacity Mechanism under Electricity Market Reform adequate, and what other long term signals might be necessary to ensure security of supply?

The delivery of grid infrastructure to enable economic growth and provision of low carbon and low cost energy in rural areas would be essential. The existing North East gas supply main is at capacity and is impacting on the ability of industry to invest in low carbon energy and on economic growth. The regulations surrounding the provision of major infrastructure do not reflect the inadequacies of the existing infrastructure to support economic growth in rural areas, significant changes in the approach to the economic case for infrastructure provision would need to be made to remove the barriers imposed by the current market and rules.

The timing of the consultation has not allowed this to be considered by Council Members and therefore represents the views of officials rather than the Council.

Yours faithfully

Jim Grant

Head of Development Services