



The Scottish Parliament
Pàrlamaid na h-Alba

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Convener of the Economy, Jobs and
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Dear Gordon,

SCOTTISH PARLIAMENT SCRUTINY OF THE DRAFT CLIMATE CHANGE PLAN (RPP3)

I am writing to you regarding the forthcoming draft Climate Change Plan (RPP3). As you will be aware, the Scottish Government has committed to publishing this in January 2017¹ and I am writing you to propose a collaborative approach which could be adopted by the Committees of the Scottish Parliament to ensure maximum scrutiny of this important document on the Scottish Government's intended actions to meet Scotland's greenhouse gas emissions targets.

Background

In seeking to apply the lessons learned in scrutinising the draft RPP1 and to further strengthen the mainstreaming of climate change scrutiny, the Parliamentary committees with an interest in the draft RPP2 adopted a coordinated structure for scrutiny in 2013. This collaborative process was an innovative and dynamic approach which resulted in this important plan receiving comprehensive and thorough analysis from Committee Members with expertise in the subject areas covered by the report.

It is with this in mind that, on behalf of the Environment, Climate Change and Land Reform (ECCLR) Committee, I propose this collaborative approach be adopted for Parliamentary scrutiny of the draft RPP3.

¹ The Committee received a letter from the Cabinet Secretary for Environment, Climate Change and Land Reform on 14 September confirming the date of publication: http://www.scottish.parliament.uk/General%20Documents/20160914_Cab_Sec_to_Convener_on_timing_of_RPP3.pdf

Proposed Approach

Focus and scope of the draft Climate Change Plan (RPP3)

The draft RPP3 is expected to be published in January 2017 and will focus on how the climate change targets for the period to 2032 can be achieved. The ECCLR Committee is working on the basis of this being laid in the week beginning 9 January, but will keep this under review in discussions with the Scottish Government.

Parliamentary procedure for consideration of the draft Climate Change Plan (RPP3)

Parliament has a period of 60 days, from the date of laying, in which to consider the draft RPP3 report. Once laid it is open to any committee to consider relevant aspects of the draft RPP3 and report to Parliament, after which there will be a debate in the Chamber.

The ECCLR Committee proposes a co-ordinated approach across parliamentary committees:

- That each subject committee takes the lead in scrutinising policies and proposals within its remit;
- To issue a joint call for views on behalf of participating committees and to work as collaboratively as possible in relation to stakeholder communications, engagement and on media work;
- To maximise the time available for scrutiny, by each committee taking evidence and reporting separately to Parliament on issues within their remit (which will allow time for committees to take evidence from their Cabinet Secretaries) as happened in scrutinising RPP2;
- To seek to lodge a motion in the names of the conveners of all committees who reported on the draft RPP3 for the Chamber debate.

Subjects and themes

The ECCLR Committee proposes that each committee scrutinises the parts of the report aligned to its remit, depending on the structure of the draft document as laid. The Scottish Government has provided an initial briefing on the development of the RPP3 which can be found at **Annexe A**. Based on this document and current discussions with the Scottish Government, the remits of a number of committees are expected to be engaged, including: the Environment, Climate Change and Land Reform Committee; the Rural Economy and Connectivity Committee; the Economy, Jobs and Fair Work Committee, and; the Local Government and Communities Committee.

Key questions

In scrutinising the draft RPP3, the ECCLR Committee suggests the following key questions be common among the themes explored by each committee to allow for easy comparison and a common thread to the Scottish Parliament's

response. It is anticipated these questions would form the basis of the joint committee call for evidence:

- progress to date in cutting emissions within the sector/sectors of interest and implementing the proposals and policies set out in the RPP2;
- the scale of reductions proposed within their sector/s and appropriateness and effectiveness of the proposals and policies within the draft RPP3 for meeting the annual emissions targets and contributing towards the 2020 and 2050 targets;
- the appropriateness of the timescales over which the proposals and policies within the draft RPP3 are expected to take effect;
- the extent to which the proposals and policies reflect considerations about behaviour change and opportunities to secure wider benefits (e.g environmental, financial and health) from specific interventions in particular sectors.

Timetable for Consideration

If the draft RPP3 is laid in the second week of January, the ECCLR Committee anticipates issuing an immediate joint call for evidence, taking oral evidence before the February recess and reporting to Parliament at the end of February.

In order to assess whether the right policies and proposals have been suggested, the ECCLR Committee considers it essential that it understands the mechanism promoting action in each area. To aid this understanding we propose to host a session with Scottish Government officials in advance of the laying of the draft RPP3. This offers an opportunity to explore the TIMES model, the programme used to identify where proposals and policies will need to be established and enforced, in order to meet Scotland's climate change targets for each sector. An initial briefing on the TIMES model has been provided by the Scottish Government and this can be found at **Annexe B**.

This session will take place on Thursday 1 December 2016 (12.45pm – 13.45pm in CR4) and I extend an invitation to attend to all Members who will be involved in scrutinising this document.

I also understand some committees are engaged in pre-introduction scrutiny of the progress made since the RPP2 in anticipation of considering the draft RPP3 and this is welcomed by the ECCLR Committee.

Next Steps

The success of Scotland's efforts to reduce its emissions and mitigate long term damage to the environment depends on our combined and unified dedication to ensuring the Scottish Government implement the right policies and proposals.

I would be grateful if you could consider the suggested approach with members of your Committee and respond to this letter confirming your support of the proposed approach to scrutiny. I would appreciate your

response to this letter by 28 October 2016. The ECCLR Committee clerks are in discussion with your clerks and will be available to provide further information to you if that is helpful.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Graeme Dey', with a stylized flourish at the end.

Graeme Dey MSP

Convener

Environment, Climate Change and Land Reform Committee

Scottish Government Briefing on Development of the Climate Change Plan (RPP3)

Our Approach to the Climate Change Plan

The production of a report on policies and proposals is a statutory duty under the Climate Change Act (Scotland) 2009, and the draft Climate Change Plan, the third report on policies and proposals 2017-2032, will contain all the information required to meet the requirements set out in the Act. Further to this, the development of the Plan is being guided by the advice provided by the Committee on Climate Change (CCC) in its 2016 Scottish progress report; experience and lessons learned from the first and second reports on policies and proposals; and the Scottish TIMES energy model. A separate briefing has been provided to the Committee on the TIMES model.

Sectors in the Climate Change Plan

The TIMES model forms the analytical basis for the report. The model helps us to develop an optimal pathway for meeting Scotland's statutory climate change targets by assessing how effort is best shared across the economy. The pathway contains a carbon envelope for each sector within the Climate Change Plan, along with suggested measures needed to remain within the envelopes. Policies and proposals are then developed to realise these measures.

The draft Climate Change Plan will include chapters detailing policies and proposals for the following sectors:

- Electricity Generation
- Residential
- Transport
- Services
- Industry
- Land Use (including forestry and peatland)
- Agriculture
- Waste

In addition, we will publish within or alongside the draft Plan:

- An explanation of the different approach between RPP2 (the previous plan) and the draft Climate Change Plan to assist the scrutiny process
- Technical detail on how TIMES and other sector models have informed the analysis behind the development of measures, policies and proposals

- A report on the outcomes of the Climate Conversations held across Scotland in 2016
- A report from the stakeholder event, scheduled for late November 2016
- A report on behaviours and the ISM tool, and how behaviours are being addressed in the draft Plan
- A report on co-benefits of climate change mitigation action.

Monitoring and evaluation

Ensuring the Climate Change Plan allows Scottish Ministers, Parliament, and stakeholders to assess progress is a key part of our approach. The draft Plan will be clear, concise and accessible to allow easy scrutiny, and will include the integration of a monitoring and reporting framework. This framework will make it possible to track whether policies are having the desired effect, and will ensure there are mechanisms to adjust our approach as circumstances inevitably change over time.

A Scottish TIMES model: an overview

What is TIMES?

TIMES is a Whole System Energy Model (WSEM). Such models aim to capture the main characteristics of an energy system and are particularly useful for understanding the strategic choices that are required to decarbonise an economy.

The Scottish TIMES model is a high level strategic model, covering the entire Scottish energy system and containing many thousands of variables covering existing and future technologies and processes.

The model combines two different, and complementary, approaches to modelling energy: a technical engineering approach and an economic approach. The model uses this information to identify the effectiveness of carbon reduction measures in order to provide a consistent comparison of the costs of action across all sectors.

The aim of the model is to capture the main characteristics which affect the deployment of technologies, their costs and associated greenhouse gas emissions for Scotland as a whole given a range of policy and other constraints. This allows consideration of the strategic choices which Scotland faces as it seeks to decarbonise its energy system.

How TIMES is being used in developing the Climate Change Plan

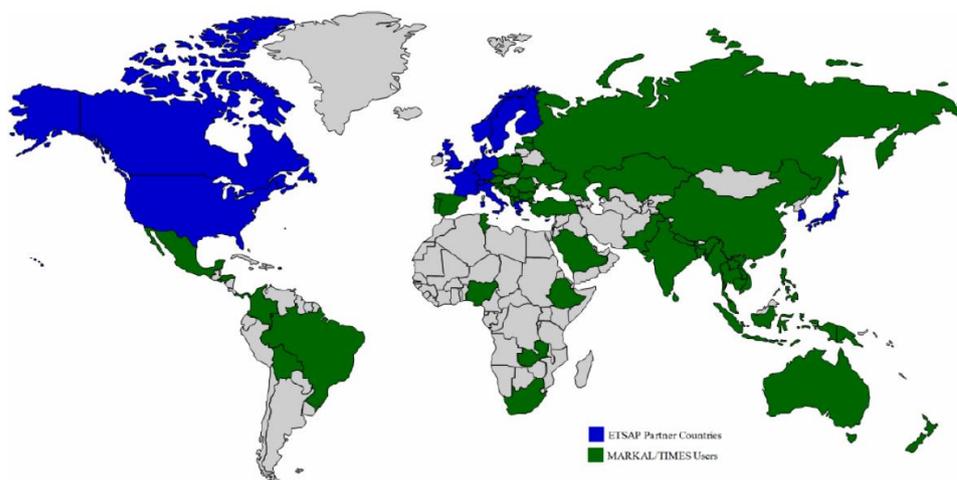
The development of the draft Climate Change Plan draws significantly on the Scottish TIMES model. TIMES helps us understand least-cost ways of achieving emission reductions by assessing how effort is best shared across the economy, taking account of both individual sectors and how those sectors interact. This approach allows us to develop an optimal pathway for meeting Scotland's statutory climate change targets. The pathway contains a carbon envelope for each sector along with suggested measures needed to live within the carbon envelope. Examples of measures include the introduction of new energy technologies or the penetration of electric vehicles. Policies and proposals can then be developed to realise the measures.

Because the model interacts with non-energy sectors such as land use and waste, TIMES is able to provide a system-wide view of how we can most effectively deliver our targets.

ANNEX: HOW THE MODEL WORKS

TIMES models are a standard tool

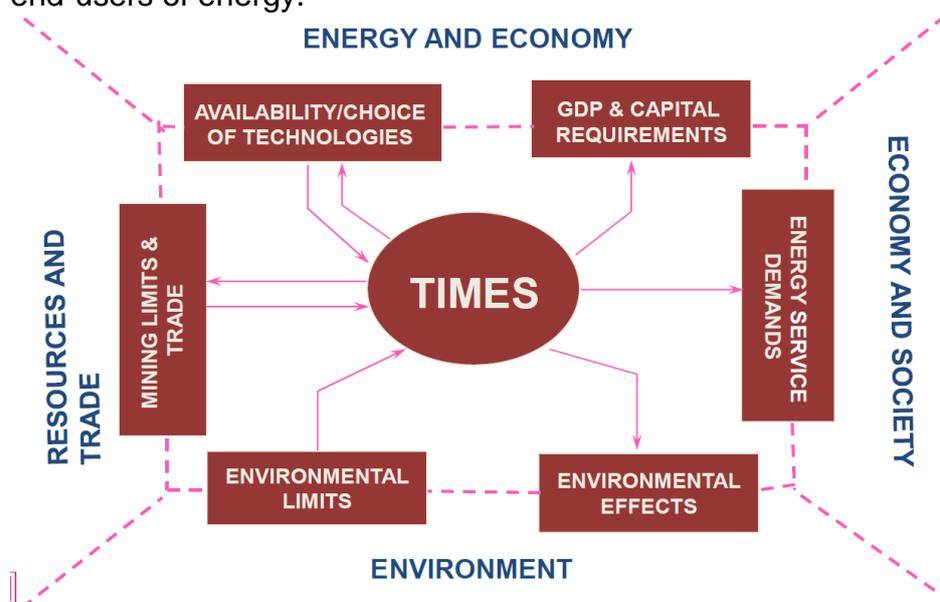
The development of the TIMES modelling framework is co-ordinated by the International Energy Agency. It is rapidly becoming the de-facto standard tool for whole-systems energy modelling in Europe and North America. In the following map, blue shaded countries indicate that the country's Government is a formal member of the IEA modelling community; green shaded countries indicate that the modelling framework is being used by academic institutions in that country.



The energy system

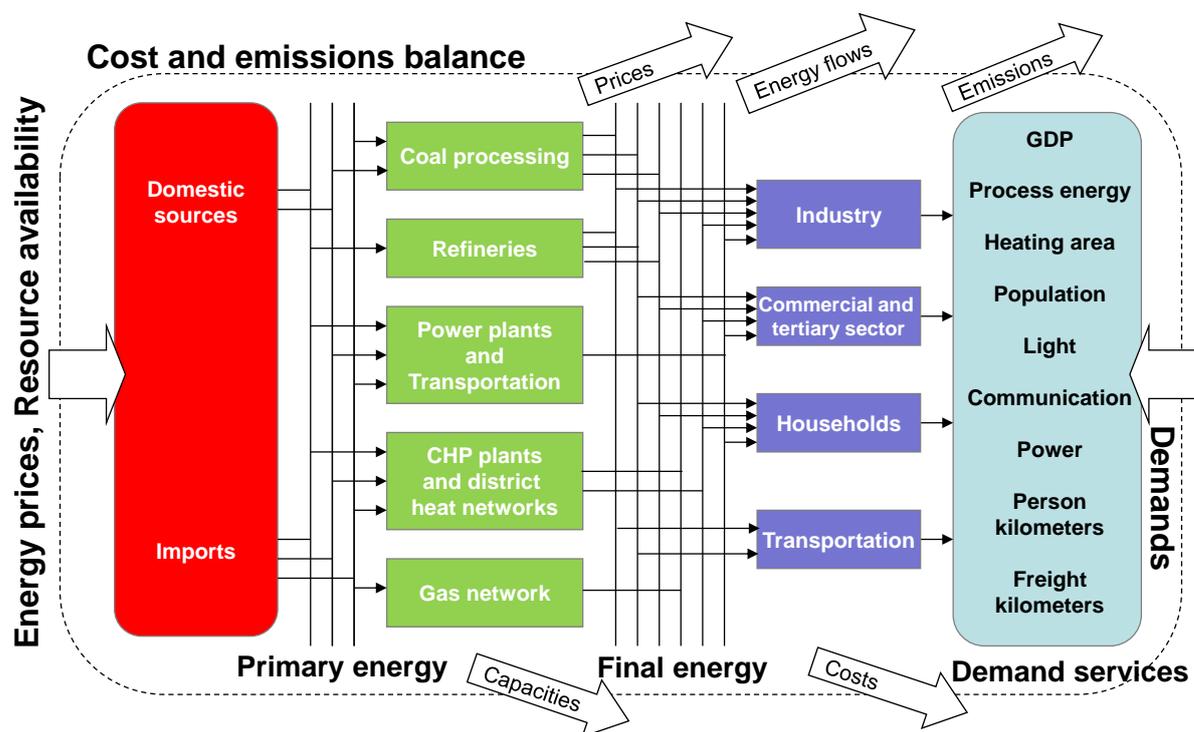
The TIMES model is classed as a whole systems energy model. Essentially this means that the model attempts to articulate the entirety of all flows of energy within an economy, although in practice these models are generally extended to include land-use and forestry and, as such, consider all processes with connotations for net greenhouse gas emissions.

The model also considers the interactions between this energy-system and the prevailing environment, the wider economy, natural resources, trade, and end-users of energy.



The existing energy system

The starting point of the Scottish TIMES model is a detailed representation of the energy system containing the processes and technologies currently in use in Scotland.



The above diagram is a simplified representation of the energy system showing the following main parts:

- Resources (red) – includes current and potential availability of 'traditional' energy sources such as oil and gas, but also includes sources such as wind, biomass, wave/tidal and solar. Trade is also included in this section.
- Conversion (green) – includes the range of technologies and industrial processes used to convert resources into usable energy – from the production of petrol to the generators atop wind turbines.
- Consumption (Blue) – Details the range of potential uses (energy-services) for the energy being converted and distributed by the system, along with the technologies used to convert into a usable form, e.g. Light, heat, computing and refrigeration.
- Demands (Light blue) – details a range of information shown to influence the amount of energy-services required. These are generally specified via other models, e.g. GDP growth will influence many of these demands.

Transitioning the current energy-system into the future

The key use of the model is to explore at a strategic level how the energy / climate system in Scotland might change as we move through the period of the Climate Change Plan (and beyond).

As we move into the future, existing technologies and processes will require replacement, possibly with more efficient alternatives, as they reach the end of their natural or economic lifetimes.

In responding to these changing conditions, the model will make a series of investment decisions in order to ensure that demands for energy continue to be met. In effect, the model identifies the investments to be made at any given point in time which represent the lowest overall cost solution to meet demand subject to the constraint of delivering this within the emissions permitted by Scotland's Climate Change targets.