

CLEAN GROWTH WORKSTREAM

Cabinet – 13th September 2021

CLEAN GROWTH WORKSTREAM: AYRSHIRE ENERGY MASTERPLAN

PURPOSE OF REPORT

1. The purpose of this paper is to seek funding for the development of an Ayrshire Energy Masterplan.

RECOMMENDATIONS

2. It is recommended that Cabinet:
 - (i) Agrees to provide funding of £100,000 as the 3 Ayrshire Councils' contributions towards the £150,000 cost of the development of an Ayrshire Energy Masterplan.
 - (ii) Identifies a Council lead for the commissioning of the development of the Ayrshire Energy Masterplan.

INTRODUCTION

3. The Clean Growth Workstream was established in 2020 to use the breadth of knowledge, expertise and insights of its members to develop the actions necessary to deliver Ayrshire's Clean Growth Key Objectives, taking into consideration the impact of COVID-19, and the steps that need to be taken to support recovery and renewal.
4. Discussions by the Clean Growth Workstream identified a fundamental requirement to develop a framework (an "energy masterplan") to be a catalyst for investment in energy infrastructure (power, heat and transport) and novel clean technologies and solutions that will underpin economic growth, community wealth and resilience.
5. An Ayrshire Energy Masterplan will create an evidenced based pathway for the Ayrshire Region to achieve its clean growth ambitions, and help the region meet UK and Scottish Government stretching targets for net zero emissions set out below.
6. In addition to the £100,000 being sought through this paper, Scottish Enterprise has agreed to contribute £30,000 to the project, and the University of the West of Scotland £20,000, making up the £150,000 cost of the project.

BACKGROUND

7. We are dealing with the planetary-scale emergency and it is clear that the impacts of climate change are intensifying across the world. Instances of heavy rainfall, flooding, heatwaves and fires are increasing in frequency and severity. There is an urgent need to tackle this overwhelming challenge and to do so we need to take actions that will keep global temperature rises below 1.5°C. Due to its geographical position as well as energy and socio-economic potentials, Ayrshire can play a pivotal role in tackling this global challenge.
8. In recognition of this Governments around the world are setting ambitious emissions reductions targets. The UK Government adopted a target of 2050 to reach net zero carbon, and the Scottish Government set its target to reach net zero by 2045, with an interim target of reducing greenhouse gas emissions by 75% by 2030.
9. Achieving these targets will require co-ordinated, mitigating actions that directly influence energy use and emissions throughout the country. This will involve significant transformation in energy, land and infrastructure, including transport and buildings. Our industries will need to transform quickly, with substantial emissions reductions required in all sectors.
10. Clearly energy is essential for an economy because it represents a production input in various industries and sectors, but it also affects sustainable development. An Ayrshire Energy Masterplan is necessary to create a resilient and sustainable future, while at the same time opening up new economic opportunities from the creation of a growing green economy.

AYRSHIRE ENERGY MASTERPLAN

11. An Ayrshire Energy Masterplan (AEM) will help Ayrshire to deliver on net zero by providing the opportunity to plan for robust net-zero energy infrastructure that will support Ayrshire's clean growth aspirations by helping to transform their energy systems towards net zero. It will do this by identifying opportunities to connect energy (including heat, power and transport) resources with demand in the most cost effective, sustainable and low carbon way.
12. Developing an Energy Masterplan at an Ayrshire regional level offers scale, and enables a holistic approach to considering electricity, heat and transport that will help the region understand how Ayrshire systems can be decarbonised, and help to identify a number of cluster opportunities that can be developed collectively at regional level or, if appropriate, at local authority level.
13. The Energy Masterplan will complement, and add value to, the Local Heat and Energy Efficiency Strategies that each local authority is now obliged to complete by 2023.

14. Moreover, it will support the decarbonisation of the Ayrshire Growth Deal by linking in those projects in the Deal that require energy masterplans, and support all other projects to be developed sustainably, for the benefit of Ayrshire communities and without negative impacts on the environment.
15. The overall objective of the energy masterplan is to present an internationally-leading pathway to net zero that maximises socio-economic benefits for Ayrshire. While the exact scope of the AEM is yet to be determined, at a minimum it will include:
- An assessment of energy demand
 - Identification of energy sources
 - Develop a strategic energy vision for Ayrshire
 - Techno-economic evaluation of options
 - Planning, scenario modelling, and reporting of proposed technical solutions
 - Socio-economic impact modelling of options to identify opportunities for investment, business growth, skills and supply chain development at the regional level.
16. The energy masterplan will include spatial maps that allow area planners and project developers to identify energy opportunities at the earliest possible stage and can assist the commissioning of projects in consideration of the wider energy context. Energy Masterplans can help raise wider organisation awareness and political support, as well as providing a low carbon evidence base.

PERSONNEL IMPLICATIONS

17. There are no direct personnel implications arising from this report.

FINANCIAL IMPLICATIONS

18. It is anticipated that the cost of an Ayrshire Energy Masterplan will be £150,000. SE is committing £30,000 to the project, and the University of the West of Scotland £20,000. This papers seeks the remaining £100,000 cost from the 3 Ayrshire Local Authorities.

LEGAL/POLICY IMPLICATIONS

19. There are no legal or policy implications arising from this paper.

RISK MANAGEMENT IMPLICATIONS

20. There are no risk management implications arising from this paper.

EQUALITY IMPLICATIONS

21. There are no equality implications arising from this paper.

TRANSFORMATION IMPLICATIONS

22. There are no direct Transformation implications arising from this paper.

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