



Alyn
Smith
Energy News
Spring 2013

Welcome to the spring edition of my energy newsletter.

Scotland has it all when it comes to energy. From traditional fuels to our vast renewable energy potential and future fuels still to be exploited. I want to highlight success and make sure we get the best deal for Scotland's energy future in Europe.

It's not surprising that Scotland is leading the way. We have vast resources and our weather conditions and location offer us a massive opportunity that we should grab with both hands.

Our energy industry is flourishing in difficult economic times. Recent figures showed that mining & quarrying, including North Sea oil & gas extraction, grew by 3.2% in the first quarter of 2013; a rise largely attributed to increased production in the oil & gas sector, showing just how important the contribution from this sector is for our economy.

Scotland is also well on its way to meeting its ambitious renewable energy targets after a record-breaking year in 2012 with a 7% year-on-year rise in the amount of energy generated by renewables. Scotland, with less than a tenth of the UK's population, contributed more than a third of the UK's renewables output in 2012. That's a clear indication of just how vital this sector is for meeting the binding renewable energy targets set by the EU.

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We really have won the resources lottery twice; the first win was oil, the second is renewables; and we should make absolutely certain that we take full advantage of it.

I hope that you find this newsletter useful and that it helps to keep you updated on what I've been doing in Scotland and Brussels to promote and protect this hugely important sector. I'm keen to do all I can to support the industry and will need your help to do that.

Please get in touch if there's anything I can help with or if you would like me to visit your company, association or community. My contact details are at the end of this newsletter.

I look forward to hearing from you.

Yours for Scotland

Alyn Smith MEP



The Greens | European Free Alliance
in the European Parliament

Design and typesetting by Patrick Robertshaw, Edinburgh: splateagle.com



Alyn Champions Ocean Energy



European Ocean Energy Association launch

The European Ocean Energy Association recently described Alyn as a champion for ocean energy in Europe. The sector has an important role and Alyn works with the Association, Scottish Renewables and RenewableUK to support it. The European Marine Energy Centre in Orkney is world-leading and its contacts and agreements around the globe will ensure that it stays at the forefront of technology development.

Representations from the industry meant that Alyn knew to write to the Commissioner for Energy urging him to include ocean energy in the EU Strategic Energy Technology Plan, and two events gave Alyn opportunities to support our renewables industry.

The first was a speech at the RenewableUK Wave and Tidal conference in London and the second, a reception that Alyn organised in Parliament with the European Ocean Energy Association to launch its vision paper and start its new campaign for ocean energy support.

In London, Alyn said:

"I'm delighted to bang the drum for ocean energy in Scotland. Wave and tidal energy have huge potential and Scotland is leading the way on technologies to capitalise on that potential.

"From the European Framework Programmes and Intelligent Energy Europe to the Scottish Government Saltire Prize, there are funding avenues that the sector has been able to tap into. We need to do more, though, to build confidence and provide clarity.

"The sector's future is exciting; bright and full of promise. We need to build on that and provide support for ocean energy in Brussels and at home."

In Brussels, Alyn said:

"The European Ocean Energy Association has been working hard and I'm delighted to be able to play a small part in helping. Ocean energy offers us a massive opportunity; 0.1% of the oceans' energy could supply the world's requirements five times over.

"This is a growing industry with huge potential and we must work towards seeing it thrive and become a mainstream energy supplier. That is exactly what the Vision Paper is about and I look forward to working with the sector to make it a reality.

"Scotland is well known for advances in renewable energy and our geography means that we are an ideal location for ocean energy. We have more wave and tidal energy devices being developed and tested than anywhere else. It makes sense to be at the heart of that development and I'll do all I can to help the sector reach a market-ready status."



On the panel in London

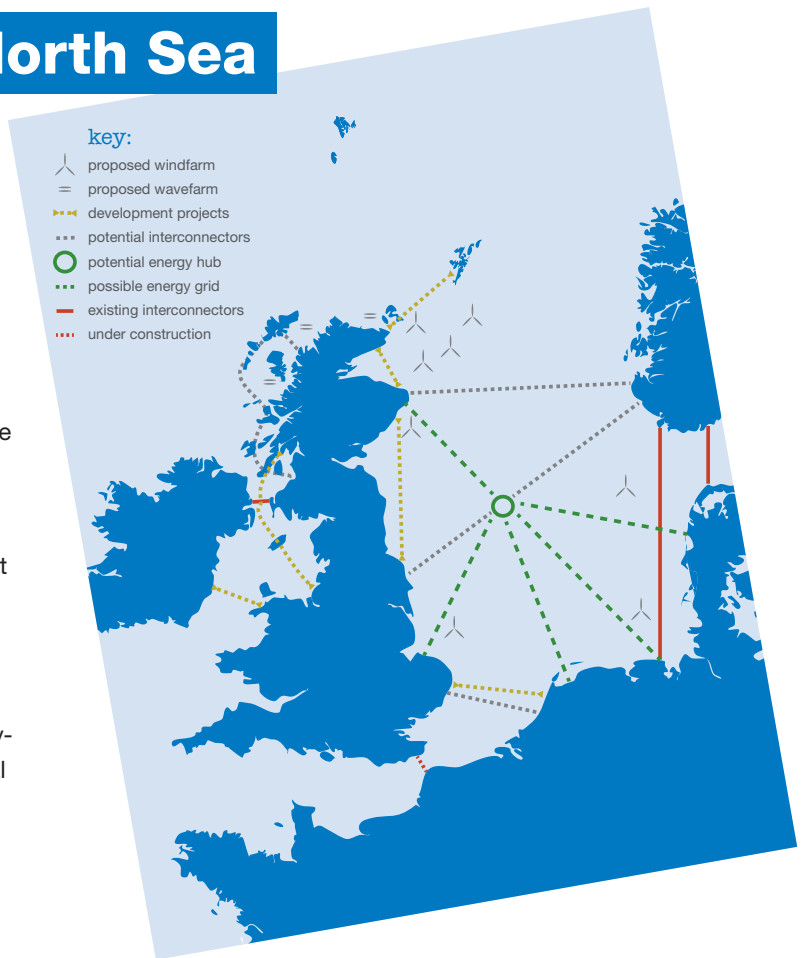
Powering Across The North Sea

Connecting Scottish electricity generation to European markets took a massive step forward when the North Sea Grid was approved by the European Parliament in March.

Opening up the European energy markets to Scotland offers a huge continental opportunity for Scottish companies. We have energy in spades; we are at the leading edge of renewable technology and generation and the North Sea grid will make sure that we are able to export it.

While we are at the edge of Europe geographically, we are right at its heart when it comes to energy production. We will soon have the chance to take advantage of our energy potential in European markets thanks to the grid being prioritised.

Scotland is energy-rich and other European nations are energy-hungry; we have a good match here which will be to the mutual benefit of everyone. The European Union will be delivering real benefits for Scotland just as we will be delivering electricity to the European Union.



UK Nuclear Subsidies Illegal Under EU Law

Alyn has called for a review of UK government proposals for subsidising nuclear power. The UK government is only in preliminary talks with the EU Commission to authorise the subsidy but has granted planning permission for new nuclear developments.

The UK wants to subsidise nuclear power through contracts for difference (CfDs) which would need state aid approval. CfDs are not compatible with state aid rules and any change to make them legal would need agreement from all the other EU states.

It is staggering that the UK government gave planning permission on the basis of a proposal which seems illegal. It defies belief that the UK government could proceed on this basis when it seems clear that the taxpayer will end up picking up the tab.

The SNP's group in the European Parliament (Greens/EFA) has been probing nuclear subsidy for some time and research shows that CfDs are dubious at best.

Scotland is making a much better job of driving on our renewables revolution rather than being shackled to this outdated and massively expensive technology.



Image courtesy of Dounreay Site Restoration Ltd and NDA

Second Call For NER300 Funding

The European Commission and the European Investment Bank will provide funding opportunities for environmentally safe carbon capture and storage and innovative renewable energy sources projects through the New Entrants Reserve (NER300).

Scotland has had success with the Kyle Rhea and Sound of Islay tidal projects being the two projects in the UK to have secured funding. Only 23 projects have been funded so far and Scotland had two of those. We can build on that and gain much more in the second round.

No CCS project was successful in the first round and we must make sure we don't miss out again. 3rd July is the deadline for proposals and, since Scotland is not yet independent, we need the UK Government to show that it is taking CCS seriously.



In Brief

'Yes' vote from renewable energy industry

In April, delegates at The Scottish Highland Renewable Energy conference in the Highland capital recognised that the best way forward for Scotland's renewable energy ambitions was to vote Yes for independence.

Over 51% of delegates agreed that Independence would assist Scotland's renewable energy ambitions, with a further 11.43% undecided and 37% disagreeing.

Boost for renewable energy sector with US firm

Scotland's renewables potential was given another stamp of approval this month with tidal power company, ResHydro, announcing that they are to be the first US renewable energy company to provide inward investment in the country.

The company will be supported by a £100,000 SMART:SCOTLAND award from Scottish Enterprise and will work in partnership with the University of Strathclyde.

Offshore oil and gas safety

It's almost 25 years since the Piper Alpha disaster and it is still very clear in people's minds. The safety regime in the North Sea is now seen as being the best in the world and Scotland has been at the heart of creating the new European offshore oil and gas safety regime.

We've managed to come up with a reasonable outcome compared to what started off as ill-considered legislation which would have been damaging to our oil and gas industry. Just a plenary vote to go.

European Parliament sets out energy plans


The European Energy Roadmap 2050, approved in March, provides a broad overview of energy issues designed to achieve a low-carbon economy in Europe. It includes milestones and targets on greenhouse gas emissions, renewable energy and energy efficiency.

EU funding and state aid at Community Energy Scotland

Alyn visited Community Energy Scotland's new office in Edinburgh where discussion centred on EU funding opportunities and the programme for research and innovation, Horizon 2020. Also discussed was how EU state aid rules can hold community energy projects back and Alyn will be looking into this.


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