



The Scottish Parliament  
Pàrlamaid na h-Alba

## Economy, Jobs and Fair Work Committee

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September 2017

### Consultation carried out by the Economy, Jobs and Fair Work Committee

#### The Renewables Obligation (Scotland) Amendment Order 2017

The above Scottish Statutory Instrument (SSI) was laid before the Scottish Parliament on 4 September 2017 and has been referred to the Economy, Jobs and Fair Work Committee. **The Committee invites your organisation to submit any comments or views on the instrument by Monday 25 September. The Committee would be interested in hearing from you, even if it just to say that you are content with what the SSI proposes.** Please let me know if you foresee there being any issues with this deadline.

You can find more information on subordinate legislation in the Delegated Powers and Law Reform Committee's [Guide to Scottish Statutory Instruments](#) and [Flow Chart on Affirmative Instruments](#)

[Draft instrument](#)  
[Policy Note](#)

#### Background

The Policy Note for the Renewables Obligation (Scotland) Amendment Order 2017 sets out in detail how the Renewables Obligation (RO) scheme works, and states:

*“The costs of funding this policy expose energy intensive industries (“EIIIS”) to high electricity bills. As EIIs operate in international markets these costs place them at a competitive disadvantage and increase the risk of investment leakage through businesses choosing instead to make investments in countries with less ambitious climate policies.”*

A compensation scheme for eligible EIIs for the policy costs arising from the RO, funded by the then department for Business, Innovation and Skills, opened in January 2016. In line with the UK Government’s proposals, the amendment order transitions from a compensation scheme to exempting eligible EIIs from up to 85% of the policy costs of the RO, in order to improve long term investment certainty for EIIs.

The policy note further states that:

*“This increased certainty can lower production costs and thereby help maintain competitiveness of EIIs, which could reduce the risks of investment leakage and may, in turn, have beneficial impacts on output and employment”.*

The Scottish Government [consulted on proposals](#) to implement an exemption for EIIs from the indirect costs of the Renewables Obligation Scotland, as part of GB-wide arrangements, between 19 May 2016 and 13 June 2016. The consultation elicited [twenty responses](#) and the Scottish Government’s response was published on 21 April 2017.

Please get in touch if you have any questions.