Initial DRAFT

Argyll and Bute Renewable Energy Action Plan – 2010 to 2013

Powering Scotland's Future

1. Our Vision, Approach and Priorities

The Renewable Energy Action Plan has been developed to assist Argyll and Bute's Community Planning Partners to realise their vision for the development of the renewable energy sector. The vision is:

"Argyll and Bute will be at the heart of renewable energy development in Scotland by taking full advantage of its unique and significant mix of indigenous renewable resources and maximising the opportunities for sustainable economic growth for the benefit of its communities and Scotland."

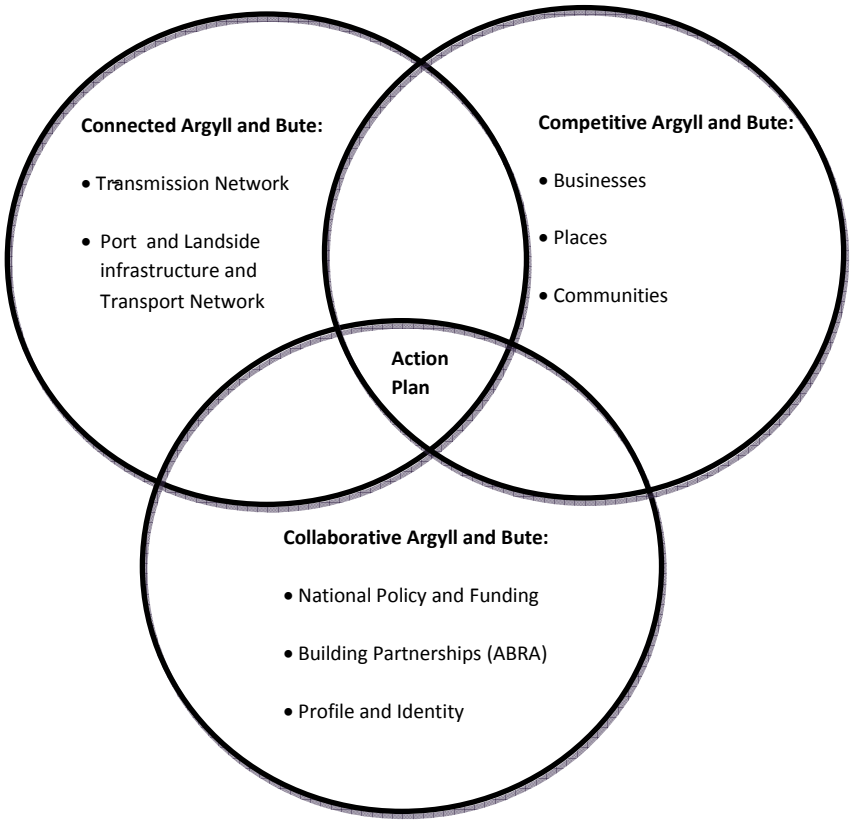
Given Argyll and Bute's significant and distinguished track record of pioneering and delivering renewable energy projects, we are well placed to respond to the pressing timelines for the development of this industry and take advantage of the economic opportunities being offered from renewable energy.

The Renewable Energy Action Plan (REAP), which provides a co-ordinating framework for action, is centred round the three 'C's themes of:

- **Connected** Argyll and Bute;
- **Competitive** Argyll and Bute;
- **Collaborative** Argyll and Bute.

REAP sets out the key actions required to further develop the renewable energy sectors currently present in Argyll and Bute and to take advantage of the significant opportunities being offered by the rapidly evolving marine and off shore wind renewable sector. Our priorities and related actions for renewable energy development are grouped under the three "C"s as noted above. Figure 1.1 highlights the framework within which the REAP has been developed.

Figure 1.1 Framework for Renewable Energy Action Plan



This is an exciting time within the renewable energy sector. The pace of change is rapid and collaboration is critical to securing the implementation of the actions we have identified in the Plan. Argyll and Bute cannot achieve our objectives in isolation and a partnership approach at both the local and national levels is at the heart of the Action Plan.

REAP will be reviewed annually to reflect progress and to ensure that it remains relevant at the local, national, EU and international level.

In order to facilitate focus, we have identified the top four renewable energy development priorities for Argyll and Bute 2010 – 2013; these are:

1. **Secure related benefits for the communities** of Argyll and Bute, including the more peripheral, remote and economically fragile communities, and develop the industry in a manner that promotes long

term sustainability and recognises the need for co-existence with other economic activities, our outstanding environment and our communities

2. **Work with partners to secure capacity within the transmission network** - unlock the future potential of our considerable renewable energy assets and provide confidence to investors and address grid charging regime issues
3. **Prioritise supporting physical and transport infrastructure investment** for the growth of the renewable sector – e.g. build on the £50 million committed public and private sector investment in Campbeltown / Machrihanish to make it a nationally important renewable energy hub, in terms of renewables related manufacturing, installation and maintenance.
4. **Secure wider sustainable economic benefits** – attract investment (Skykon Campbeltown Ltd demonstrates the area's attractiveness to private investors), strengthen supply chain opportunities, focus on innovation ,create business and employment opportunities by ensuring a supportive "can-do" culture amongst public sector partners and the development of appropriate skills in the workforce

2. Argyll and Bute's Role

Community planning partners recognise the importance of securing a mix of renewable technologies in order to maximise the delivery of sustainable economic and social benefit for our communities, to deliver on Government targets and achieve security of supply. Whilst hydro and on shore wind have been the dominant renewable technologies in recent years we are aware of the opportunities being offered in the emerging off shore, marine and biomass sectors. Argyll and Bute wants to be well placed to take advantage of any future opportunities.

In order to secure this we realise the importance of ensuring that**:**

- we have in place an **enabling framework**,
- we are all **working to achieve our strategic vision**
- our **resources are aligned** accordingly and
- we **build an identity and profile** for our area based on our vision.

There is no doubt that as an area, Argyll and Bute (Scotland's second largest local authority area), has a huge indigenous renewable resource of hydro, wind, wave, tidal, biomass and geothermal. The table below notes some of the key facts about our unique and significant mix of resources.

- We have an incredible indented coastline some 3,700km long, with its maze of islands, lochs and peninsulas and tidal rushes all offering

significant opportunity for tidal stream development.

- Our exposed western edges have some of the most dynamic wave actions in Europe making us a prime candidate for future calls by the Crown Estate for exclusivity rights for both wave and tidal development.
- We have the LIMPET, located at Portnahaven on the Island of Islay, the first commercial wave-driven power station in the world supplying renewable energy to the grid.
- We have a significant wind resource both on shore and off shore which has resulted in the recent announcement, by the Crown Estate, of "exclusivity agreements" for three sites of the coast of Argyll as part of the off shore wind developments within Scottish Territorial Waters. This includes the Argyll Array off the coast of Tiree which is the largest in Round 2 covering an area of approx 361.00 kmsq having a capacity up to 1,500MW equating to 200+ turbines.
- We have seven operational wind farms across the area generating just under 100MW with planning approval for a further three.
- We have approximately 10% of the total UK coniferous plantation and hence high volumes of uneconomic brash and small round woods
- We have a developing biomass sector and an indigenous industry growing up around it and twenty five operational biomass plants.
- We have a significant resource of water for hydro both micro and large scale.

Argyll and Bute has a unique contribution to make to the future provision of renewable energy in Scotland and the UK, building on our long tradition of generating electricity from hydro. This taken with more recent on shore wind farm developments makes the area a net exporter of renewable energy.

Argyll and Bute Community Planning Partners are well aware of the role that we have to play in assisting the EU, UK and the Scottish Government in meeting their renewable energy targets and in reducing carbon dioxide emissions in line with the Scottish Governments target of 80% reduction by 2050.

We understand the importance of ensuring that there is a mix of renewable technologies and the need to protect our unique environment whilst at the same time securing economic benefit for our communities.

We recognise the importance of maintaining the reliability of energy supplies in light of uncertain world energy markets and rising oil and gas prices. REAP is predicated on the need to: sustainably harness our abundant local natural resources in order to contribute to a diverse, secure and sustainable energy supply for our communities and businesses; to assist in reducing the growing impact from climate change; and to secure sustainable economic growth.

3. Strategic Context

REAP has not been developed in isolation but reflects and promotes renewable energy development ambitions which are being pursued at the International, European, UK and Scottish levels. In addition the economic opportunities offered

through renewable energy development have been identified as a priority in Argyll and Bute Council's Corporate Plan 2009-2012, the Argyll and Bute Community Plan 2009-2013, the Economic Development Action Plan 2010 – 2013 and Single Outcome Agreement (SOA). Renewable energy policies, opportunities and targets are also identified in the Argyll and Bute Development Plan, the Draft Woodland and Forestry Strategy, the recently adopted Carbon Management Plan and the Scottish Local Authority Climate Change Declaration.

Scottish Policy Context

At a national level, the Scottish Government Economic Strategy (GES) identifies energy as a priority sector to help achieve the Government's central purpose of sustainable economic growth. Within this sector renewable energy offers opportunities for significant growth, while also contributing to carbon emission reduction.

The Climate Change (Scotland) Act 2009 received Royal Assent in August 2009 and is the most far reaching environmental legislation passed by the Scottish Parliament since devolution. It commits Scotland to ambitious targets for emissions reduction with a target of 80% reduction by 2050. The Scottish Government's performance framework supports this with a commitment to 50% of Scottish electricity gross consumption coming from renewable sources by 2020. The Scottish Government has also proposed that 20% of all energy use (not just electricity) comes from renewable sources by 2020, in line with EU wide targets, and above the UK target of 15%.

The vision for renewable energy development in Argyll and Bute contributes to and fits with the Scottish Government Renewable Action Plan June 2009 key objectives of:

- Establishing Scotland as a UK and EU leader in the field
- Ensuring maximum returns for our domestic economy; and
- Meeting our target for renewable energy, and for emissions reductions, to 2020 and beyond

REAP also adheres to the latest Scottish Government Economic Recovery Programme, October 2009, the National Transport Strategy (2007-2010), National Planning Framework 2 (2007) and associated Action Programme.

European Policy Context

The EU Directive on the Promotion of the Use of Electricity from Renewable Energy, also called the European Renewables Directive, seeks to address "the dual objective of increased security of supply and reduced greenhouse gas emissions". It establishes an overall binding target of a 20% share of renewable energy sources (including heating, transport and electricity) in energy

consumption to be achieved by each Member State, as well as binding national targets by 2020 in line with the overall EU target of 20%. Each Member State target is based on their existing renewable generation, their GDP and a flat-rate increase for all. The UK's target is 15%. These targets apply to the Member States' final energy consumption; earlier EU legislation and the UK's domestic renewables targets were concerned with electricity generation alone.

The Action Plan aligns with the EU's recognition that we need to further promote renewable energy given that its exploitation contributes to:

- climate change mitigation through the reduction of greenhouse gas emissions,
- sustainable development,
- security of supply and
- development of a knowledge based industry creating jobs, economic growth, competitiveness and regional and rural development.

The EU Energy Policy presents Scotland and Argyll and Bute with the opportunity to capitalise on our natural resource.

Global Context

The **Kyoto Protocol** is a protocol to the United Nations Framework Convention on Climate Change (UNFCCC or FCCC), aimed at combating global warning. The Protocol was initially adopted on 11 December 1997 in Kyoto, Japan and entered into force on 16 February 2005. As of November 2009, 187 states have signed and ratified the protocol. The target agreed upon was an average reduction of 5.2% from 1990 levels by the year 2012.

The five principal concepts of the Kyoto Protocol are:

- commitments to reduce greenhouse gases that are legally binding for annex I countries, as well as general commitments for all member countries;
- implementation to meet the Protocol objectives, to prepare policies and measures which reduce greenhouse gases; increasing absorption of these gases and use all mechanisms available, such as joint implementation, clean development mechanism and emissions trading; being rewarded with credits which allow more greenhouse gas emissions at home;
- minimizing impacts on developing countries by establishing an adaptation fund for climate change;
- accounting, reporting and review to ensure the integrity of the Protocol;
- compliance by establishing a compliance committee to enforce commitment to the Protocol

At the United Nations Climate Change Conference in Copenhagen on the 19 December 2009 the **Copenhagen Accord** was agreed by a group representing 49

developed and developing countries that together account for over 80% of global emissions. The Accord:

- endorses the limit of two degrees warming as the benchmark for global progress on climate change;
- secures agreement from developed, and also all leading developing countries, to make specific commitments to tackle emissions, to be lodged in the agreement by 31 January 2010.
- all countries have signed up to comprehensive measurement, reporting and verification of progress;
- secures significant commitments by the rich world to developing countries. This includes fast start finance worth 10bn dollars a year by 2012 – with a total of up to 2.4 billion dollars from the UK – and specific support to tackle deforestation. In the longer term, the Accord supported the goal of 100bn dollars a year of public and private finance for developing countries by 2020.

REAP will aim to assist in helping the international community and the UK to achieve its targets.

4. Argyll and Bute's Competitive Advantage

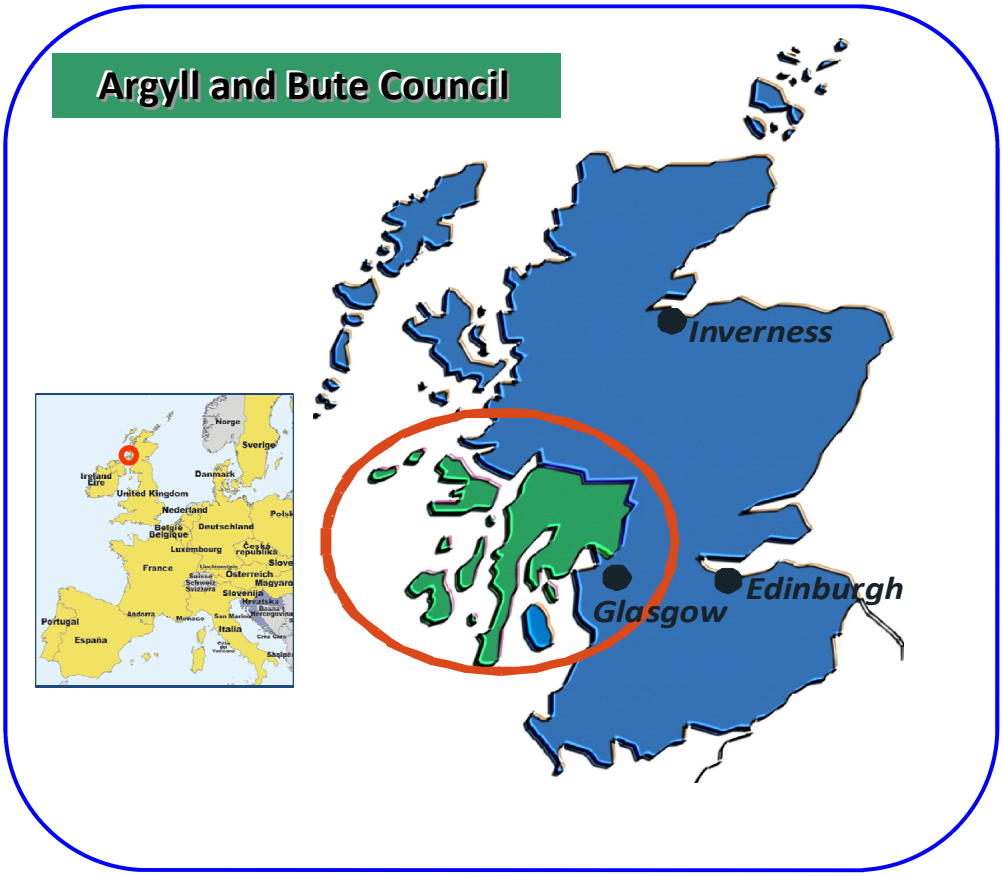


Figure 1.2: Argyll and Bute within EU/UK/Scotland

Argyll and Bute, Scotland's second largest local authority area, possesses a range of factors of competitive advantage that when taken in their entirety makes it a unique local economy that can play a central role in establishing Scotland as a UK and EU Leader in the renewable field, providing long-term sustainable economic growth and security of supply. The factors of competitive advantage include:

- A unique and significant mix of ***renewable resources*** **and renewable technologies** that could power every home in Scotland – see next section for further details.
- A world-class ***track record of innovation*** in renewable energy, for example-
  -Cruachan hydro-electric scheme, one of only four pump storage power stations in the UK capable of generating 400 megawatts
  -The Limpet, the world's first commercial wave power energy scheme at Portnahaven, Islay,
  - one of Scotland's first large-scale commercial windfarm development,
  - Isle of Gigha Dancing Ladies (a development of three wind turbines linked to the community's purchase of the island and its sustainable economic future),
  -pioneering approach to Community Windfarm Trust Funds; Strategic Concordats with windfarm developers.
- Key infrastructure, harbours, ports and airports, for "***opening up" the Irish Sea and Western Seaboard*** for offshore renewable;
- £50 million public and private sector committed investment in ***Campbeltown / Machrihanish*** in order to make it a national renewable energy hub, in terms of renewable related manufacturing, installation and maintenance.
- ***Communities*** which recognise the benefits of renewables in regard to their sustainability and who are ***willing to embrace the opportunities*** presented.
- ***The Scottish Association for Marine Science*** *(**SAMS)***,Dunstaffnage, Oban – one of the leading oceanographic institutions in the world, delivering pioneering projects such as **The Sustainable Fuels from Marine Biomass** project, **BioMara,** which aims to demonstrate the feasibility and viability of producing third generation biofuels from marine biomass.
- Much of the area is ***close to the Central Belt of Scotland and Ireland*** (ideally positioned for supply of electricity to large urban areas and to provide on shore infrastructure facilities to service the marine renewable industry).
- A ***culture of collaboration*** with local and national partners e.g. partner working between Highlands and Islands Enterprise, Scottish Development International and Argyll and Bute Council delivered the Welcon Towers

inward investment; the Council has innovative concordats with major power companies, such as Scottish Power Renewables and Scottish and Southern Electricity to ensure successful, sustainable utilisation of the area's renewable energy assets; the Council works with other local authorities and key partners through the Highlands and Islands Transmission Network.

- A ***track record of making things happen*** e.g. pioneered on-shore wind development; the development of a strong and diversifying Biomass industry; creating innovative delivery mechanisms between public and private sectors; establishing seven community benefit trust funds that will generate c. £xm of community benefits over the next twenty five years
- **Proactive and forward looking Third Sector –** The area is home to Argyll, Lomond and the Isles Energy Agency, ALIenergy, an Energy Management Agency promoting wise energy management and supporting community and business initiatives in renewable energy. We have proactive and forward thinking community groups and businesses seeking to develop renewable energy opportunities for their longer term sustainability. An example of this is Argyll Renewables Communities ("ARC") Consortium. This involves the community-owned Islay and Kintyre Energy Trusts and the Tiree Community Development Trust coming together to objectively identify the impacts, both positive and negative, on their local communities of offshore wind and marine energy exploitation.

5. Our Abundance of Renewable Resources

As noted, the area has a unique and significant mix of indigenous renewable resources. The map and following section details the current diversity of Argyll and Bute's renewable resource and associated technologies and its proximity to the Central Belt, the West Atlantic and the Irish Sea. The area has a notable track record of working with a range of renewable resources, technologies and partners and delivering tangible and sustainable projects on the ground for the benefit of Argyll and Bute and Scotland. It is on this track record that we want to build our renewable future.

The focus in this section is on the main technologies of wind, both off shore and on shore, wave and tidal, hydro and biomass. We are well aware that there are also opportunities in small scale micro renewable development, solar, bio fuels and hydrogen and that these also offer opportunities for the future.

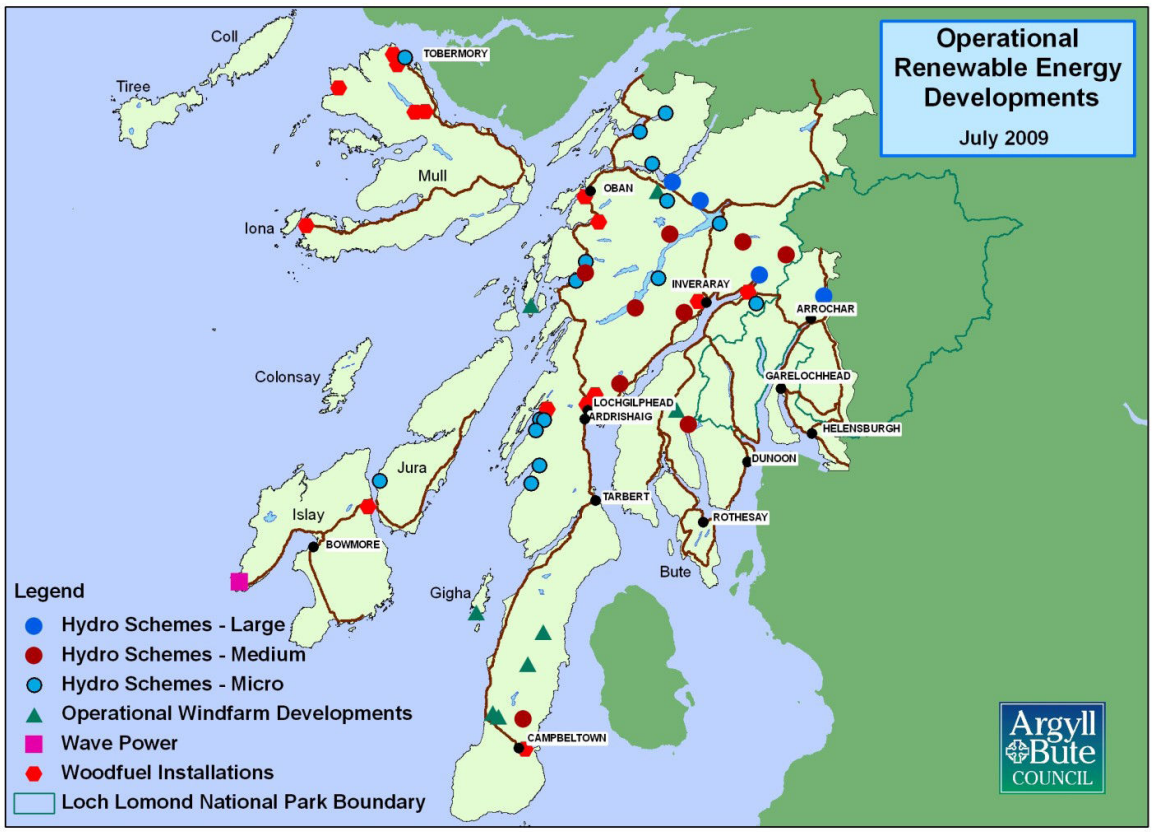


Figure 1.3: Operational Renewable Energy Developments within Argyll – July 2009 Figure 1.4: ***(To be Updated)***

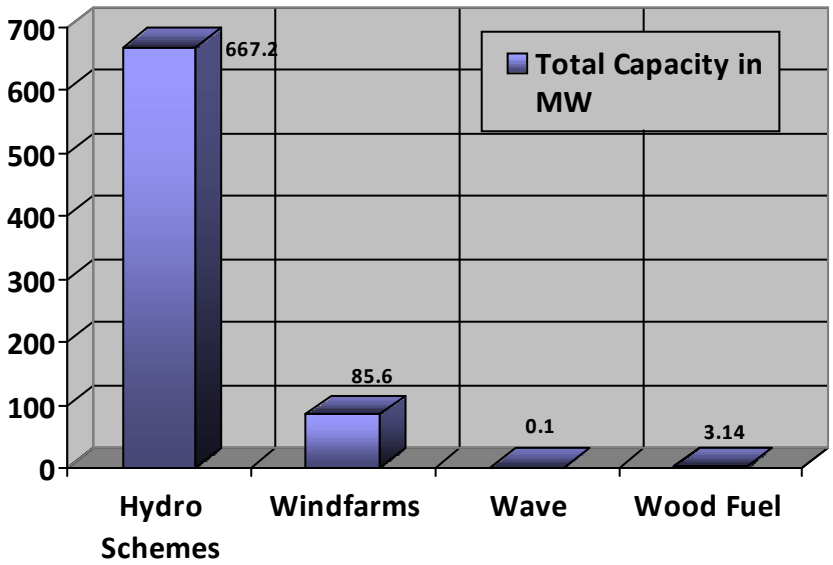


Figure 1.4 Renewable Energy Generation Capacity (MW) in Argyll and Bute – July 2009
(Table showing breakdown by sector and MW)
(To be updated)

Onshore Wind

Argyll and Bute has a long history of onshore wind farm development. Onshore wind is one of the more established renewable technologies and currently makes up about

half of all renewable installed capacity in Scotland. In Argyll and Bute we have a total of 7 operational windfarms totalling just under 90MW of generating renewable energy capacity. Argyll and Bute saw the construction of

- one of the first wind farms in Scotland at Carn Gaibhre Taynuilt in 1999,
- the development of Beinn an Tuirc Windfarm, which, when approved was the largest wind farm in terms of generated power in the UK, generating 30MW from 46 turbines.

In addition there are a number of windfarm developments which have received planning consent but which as yet are not operational. The main reason for this has been the lack of grid capacity.

Marine - Offshore Wind

This is an emerging sector and one which is considered will be a key policy focus in the short to medium term. There is a recognition that with this emerging sector there could be significant opportunities for manufacturing, construction, installation and maintenance. The Crown Estate recently announced the granting of 10 “exclusivity agreements” for off shore wind developments within Scottish Territorial Waters (STW). Three of these sites are within the Argyll and Bute area, located to the west of Machrihanish, Islay and Tiree. These sites are of a significant scale with the site off Tiree, referred to as the Argyll Array, being the largest covering an area of approx 361.00 kmsq having a capacity up to 1,500MW equating to 200+ turbines. The sites are at a very early stage as regards investigating the feasibility of their development however there is no doubt as to the opportunities offered should these go ahead.

Marine – Wave and Tidal

The Marine Energy Group believe that 10% of Scotland’s electricity production can come from marine resources with the opportunity for 7000 direct jobs being created in a diverse marine industry in Scotland. As sea power is more predictable than wind power it is thought that harnessing the oceans could be a major step forward in the development of sustainable energies. Many believe that Scotland is poised to become a world leader in the marine energy market. Work undertaken recently has highlighted that the west coast of Argyll, and in particular the area around Islay for tidal development, offer some of the best wave and tidal resource within Scotland. It is imperative that we are in a position to take advantage of this. Whilst it is recognised that wave and tidal development are still at an early stages as regards their commercial development, the Government recognises that Scotland could be a world leader in this field.

In 2000 we saw the installation of the LIMPET, located at Portnahaven on the Island of Islay, the first commercial wave-driven power station in the world supplying renewable energy to the grid.

Scottish Power Renewables is currently developing a proposal for a small scale tidal development in the Sound of Islay. The proposal relates to the installation of 10 x 1 MW tidal devices on the seabed of the Sound. This is one of three tidal projects being developed by Scottish Power Renewables (SPR), the other two being in the Pentland Firth and the Antrim Coast. The aim is for installation in 2011. As part of the Islay project SPR have employed a full time project officer based on the island and working with the Islay Energy Trust. The purpose of the post is to ensure that there is close liaison and consultation with the local community in the development of this project. This is a model that may be rolled out in the development of future renewable projects.

Hydro

Argyll and Bute has a long history of Hydro development starting with the construction of the Cruachan hydro electric power station in 1966, one of only four pump storage power stations in the UK capable of generating 400 megawatts. Hydroelectricity is Scotland's single largest source of renewable energy and currently makes up some 50% of all renewables installed capacity. This, when taken with growing concerns over climate change and carbon emissions, makes plants like Cruachan even more crucial sources of power than they were forty years ago. Cruachan power station can go from standby to full production in two minutes: generating 440 mega watts, around a third of Scotland's total monthly hydroelectric energy, enough electricity to supply a city the size of Dundee. Pump storage schemes can help with grid balancing solutions as they can respond to demand.

In addition to the large scale pump storage scheme at Cruachan we also have a significant numbers of small and micro scale hydro schemes and there is now doubt that there is opportunity for future hydro development. A Scottish hydro report published in September 2008 estimated the commercially viable potential resource of hydro in Scotland to be 657 MW. The revised financially viable resource is estimated at 1,204 MW of potential installed capacity, across 7,043 schemes.

It is anticipated that the majority of future hyro electric development in Argyll and Bute will be concentrated on small and micro scale hydro development but this can still bring significant benefits to communities, landowners and businesses .

Biomass

Argyll and Bute has approximately 10% of the total UK coniferous plantation and hence high volumes of uneconomic brash and small round woods. Biomass is a particularly beneficial form of renewable energy because of the numerous economic and environmental benefits, which it generates within the immediate area. It utilises a local resource, reduces the export of that resource out with the area, reduces the impact on our road network, increases local employment and business opportunities through harvesting, storage, delivery, and system management, has minimal environmental impact and reduces Carbon Dioxide emissions.

Biomass delivers the majority of renewable heat and will continue to do this in the short to medium term although the heat pump and solar markets will also assist.

Already in Argyll and Bute we have a wide range of communities and household developments benefiting from this sector. More recently we have seen the rapid development of the Biomass sector through the installation of wood fuel heating systems throughout the area. We have the award winning automated woodfuel installation at Whitegates, Lochgilphead, a housing association (Fyne Homes) development consisting of 52 homes, and the Mid Argyll Swimming Pool heated by a 200kw woodfuel boiler. There is the 100KW woodfuel community energy heating installations at the new Fyne Homes Housing development in Campbeltown heating 14 flats. We also have the award winning £7 million Campbeltown Community Facility known as Aqualibrium which is heated by a 350KW woodfuel boiler.

6. Argyll and Bute SWOT

Sustainable objectives need to be at the heart of our priorities and actions to ensure that we achieve a win/win scenario for our area and we balance the development of the renewable industry with other key sectors, our natural environment and the needs and aspirations of our communities. The SWOT Analysis detailed in the table below identifies the strength, weaknesses, opportunities and threats that we need to be aware of and take into account in the development of the renewable energy sector in Argyll and Bute. We are aware that there is a significant marine resource in our area. We want to ensure that we harness this in a sustainable manner to secure maximum benefits in respect of manufacturing, jobs, construction, servicing, R & D and community benefit. However, we also need to give consideration to our natural environment which is also a significant economic resource. It is all about balance and ensuring that we do not develop one sector to the detriment of the other. This is not always easy to achieve.

DRAFT SWOT Analysis – Renewable Energy

Strengths: • significant natural resources of wind, water, wave, tidal and trees for biomass • long and proven track record of renewable development and delivering successful renewable projects • a distinguished record of pioneering innovation - e.g. first large commercial wind farms, Biomara project, Wavegen and the Isle of Gigha Dancing Ladies • already contributing to Scottish, UK, EU and international targets on climate change – the area is a net exporter of power and is well positioned to up-scale massively • significant investment in infrastructure to service the renewable industry – £50m committed by private and public sectors in Campbeltown/ Machrihanish • much of the area is in close proximity to Central Belt and the Irish Sea, major urban centres and energy markets • strong public sector partnerships between Scottish Government, HIE, Crown Estate, Scottish Natural Heritage and local authorities • strong local networks promoting renewable energy and energy efficiency(private, public and third sector e.g. Alienergy, Islay Energy Trust) • planning support through policy and processing • communities using renewable energy development to secure their sustainability – Community Wind Farm Trust Funds, Gigha Dancing Ladies, ARC • higher than average levels of self-employment, entrepreneurial spirit • high levels of educational attainment	**Weaknesses**: • constraints as a result of limited grid capacity and charging regime • sub-optimal connectivity in terms of transport (e.g. poor trunk road network, lack of integrated public transport networks • lack of distinct regional Argyll and Bute identity and limited national awareness of area and its significant attributes • inadequate skills base to service the needs of the emerging marine renewable sector • demographic issues: ageing population with less people of working age • lack of supply chain opportunities • current reliance of local economy on low skills and low pay • remoteness and fragile island-based communities – cost of service higher and delivery options reduced and lack of economies of scale • lack of capacity of communities in terms of utilities, services, infrastructure and housing to “scale-up” quickly and fully exploit economic opportunities • insufficient investment in identifying and capitalising on development opportunities
Opportunities: • wide range of sources of renewable energy, off-shore and on-shore that can create jobs and enterprises and attract investment • proximity to major urban centres reduces grid / transmission costs • Campbeltown/Machrihanish becomes a national hub for renewables manufacturing, installation and maintenance • distribution of benefits from renewables through community ownership schemes and community benefit funds and partnership working to develop infrastructure • develop highly skilled, high value jobs and a skills base that is world-class • greater career opportunities to retain young economically active population • review of local development plan from 2010 ensure that planning regime promotes the industry’s development and the requisite infrastructure needs including industrial and housing allocations • build on track record of world-class innovation – e.g. SAMS one of the UK's leading and one of the oldest oceanographic institutions in the world delivering innovative projects such as Biomara • build on entrepreneurial spirit and develop new business opportunities • create vibrant dynamic communities that have a reputation for a high quality of life and that can attract entrepreneurs, investors and the economically active • links to Northern Ireland and Ireland and opening up of the western seaboard	**Threats**: • national policy overlooks significant renewable energy opportunities of the area e.g. does not consent required grid infrastructure • lack of joined up government at the local and national levels • deteriorating road infrastructure (e.g. A83, A82, A85, A816) and connectivity • communities do not benefit from the development of the renewable energy industry and feel excluded from the benefits and the development process • lack of expedient planning policy/process e.g. energy generation schemes and local development plan/planning process creates tensions • Lack of available workforce due to ageing population - young people and those of working age leave the area • current economic recession makes it difficult to deliver sustainable economic growth and limits investment in infrastructure, businesses and industries • Availability of public investment to address insufficient capacity (skills, housing, transport, utilities) to facilitate step change • other areas are prioritised in terms of national focus on renewable energy at the expense of Argyll and Bute • adverse impact on our environment as a consequence of renewable development • CPP does not work towards a cohesive vision not align resources • Servicing provided from outwith the area

7. Benefits for Argyll and Bute, Scotland, UK, Europe and International community

The economic benefits accruing from the development of the renewable energy sector in Argyll and Bute will take place at the local, Scottish, UK, European and international levels and will be quantitative and qualitative. The priorities in **Section 8** provide more detail on measures of success.

Overall Benefits from Renewable Energy Development

Benefits: Renewable Energy		
Argyll and Bute	**Scotland**	**UK/European/Global**
• Significant driver of economic development that creates higher value jobs and incomes. • community benefit funds that promote local development and sustainable economic benefit. • private and public inward investment • new and growing enterprises. • creates a hub/centre for renewable development in Scotland - Machrihanish/Campbeltown • reduction in economic inactivity and poverty. • a more sustainable demographic structure. • sustainable economic benefits across our area and especially in more peripheral, remote and fragile communities • economic benefits to businesses and households through the generation and consumption of renewable heat and electricity. • Improved transport infrastructure and connectivity	• unique contribution to the future provision of renewable energy in Scotland due to diversity and scale of resource and proximity to Central Belt • assist the Scottish Government and the UK Government in meeting their renewable energy targets by 2020 (EU) and in reducing carbon dioxide emissions in line with the Government's targets of 80% by 2050 • ensure future energy security • establish Scotland as a UK and EU Leader in the field of renewable • maximise returns for Scotland's domestic economy • provide energy security • net contributor to Scotland's prosperity	• assist at the EU and international level to achieve the key target of 20% of EU energy consumption to come from renewable resources by 2020 as outlined in the European Renewable Energy Directive. • assist in the achievement of the Kyoto Protocol (global) i.e. reduction of greenhouse gas emissions by 8% from 1990 levels by 2008-2012 and the Copenhagen Accord which endorses the limit of two degrees warming as the benchmark for global progress on climate change • ensure future energy security

8 The Three 'C's of the Action Plan: Connected, Competitive and Collaborative

Theme A - Connected Argyll and Bute

This theme relates to the ***infrastructure*** priorities for Argyll and Bute Council:

- identify and prioritise **infrastructure** investment and **connectivity** that facilitates growth within the Renewable Energy Sector , primarily:
    - Transmission network – capacity and charging. Lack of capacity is a significant barrier to the development of the renewable energy sector in Argyll and Bute.

    - Port and landside infrastructure, including transport network infrastructure, for manufacturing, construction and operations and maintenance of the existing renewable technologies and the emerging marine renewable sector including off shore wind, wave and tidal – provision of an enabling framework that is pro-investment and business friendly is key.

One of the principal barriers to the development of the renewable sector in Argyll and Bute is the problems experienced by renewable generators in gaining access to the electricity grid. We believe that renewable generators should be allowed to connect to the grid ahead of grid capacity upgrades. We support the UK Government proposals to move to a connected and managed transmission access policy where costs are fully socialised.

We want to work with key partners to secure prioritised sustainable energy generation but still recognise the need to protect the consumer. In addition the issues relating to the grid charging regimes need to be addressed as this is unfairly discriminating against rural and island areas such as Argyll and Bute.

We recognise and will work with key partners to develop plans/actions to capitalise on the introduction in 2010/11 of Feed-in Tariffs/Renewable Heat Incentives which will provide financial incentives to generators of renewable electricity without necessarily requiring

The provision of an enabling framework to secure the delivery of the requirements of the renewables industry is also imperative if we are to make the most of our competitive advantage. This includes the provision of a positive planning and policy regime.

Theme – Connected Argyll and Bute, 2010/2013 Objectives: Ensure that there is sufficient capacity built into the transmission network to allow us to realise our full renewable energy potential; Address issues relating to the charging regime and secure investment to allow the necessary infrastructure improvements and investment to be undertaken.					
Infrastructure: Transmission network					
Ref	**Outcome**	**Actions to achieve outcome**	**Success measures/KPIs (still to be quantified)**	**Lead body**	**Risks/ risk rating**
			2010 - 2013		
	National Government and ofgem commit to required grid capacity upgrade to unlock area's renewable potential in both the short, medium and long term,	Work with National Grid, Ofgem,UK Government and EU on grid capacity issues to ensure short, medium and long term requirements are met Work with HIE, HITN, SSE and SG to secure the development of the grid and to make the case to Ofgem to secure the delivery of the proposed Hunterston to Carradale sub sea cable link as detailed in the NPF2 Action Programme.	Structured plan of partner engagement implemented	HIE through HITN	Argyll and Bute cannot realise its renewable potential and potential investors go elsewhere. Do not make an optimal contribution to the GES, RAP and Climate change targets
	National Government through Ofgem and Nationalgrid commit to addressing the issue of transmission charging	Work with Ofgem, National Grid, UK Government and EU Work with SG, HIE and HITN to ensure that transmission charging does not discriminate against development in our area or act as a barrier to development.	As above	HIE through HITN	Argyll and Bute cannot realise its renewables potential and investors in the renewable field go elsewhere. Do not make an optimal contribution to the GES, RAP and Climate Change targets

Infrastructure: Port and landside infrastructure, including transport network					
	Outcome	**Actions to achieve outcome**	**Success measures/KPIs (still to be quantified)**	**Lead body**	**Risks/ risk rating**
	Provision of port and landside Infrastructure improvements and provisions including ports harbours and roads, that will generate investor interest and stimulate economic development and assist in securing Argyll and Bute's position as a renewable energy hub	Work with HIE, SG , SE, SDI and potential developers to identify and prioritise infrastructure requirements (manufacturing, construction and downstream business/industry locations) investment required in A&B that facilitates the growth of the renewable energy industry	Machrihanish/ Campbeltown included as one of the key locations in the first wave of sites in the SG National Renewable Infrastructure Plan (NRIP)	HIE	Argyll and Bute cannot realise its potential as regards renewables and potential investors in the renewable field go elsewhere. Do not make an optimal contribution to the GES, RAP and Climate Change targets
		Work with national agencies and government to secure the recognition of Machrihanish/Campbeltown as a key manufacturing, construction, maintenance location for the renewable industry		HIE/ABC	
		Clear local priorities identified in new local development plan - industry, business and housing allocations and transport infrastructure needs identified.	Secure through the review of Argyll and Bute Development Plan	ABC	
		Clear local priorities indentified in future local transport strategy	Secure through the review of Local Transport Strategy	ABC	

		in 2010/11. Work with Hi-trans to ensure that any issues relating to transport infrastructure affecting the development of renewable is identified as a priority	Delivery of HITRANS Renewable Transport Study	ABC	

Notes: Lead bodies: Argyll & Bute Council (ABC); Highlands and Islands Enterprise (HIE); Highlands and Islands Transmission Network (HITN) Scottish Development International (SDI), Scottish Enterprise (SE) Scottish Government (SG), Marine Scotland (MS) and Crown Estate (CE), Highlands and Islands Transport Network (Hi Trans), Scottish and Southern Energy (SSE)

Theme B - Competitive Argyll and Bute

This theme relates to three key priorities for Argyll and Bute Council in order to increase the ***competitiveness*** of the area, to create an **enabling framework** and to ensure our renewable energy potential and vision is fully realised:

- **Businesses** – with a particular focus on:
  - Business Development and Inward Investment – HIE, Argyll and Bute Council/Business Gateway (BG) and Scottish Development International (SDI) –build on our strengths and track record of delivery and secure an enabling framework for business competitiveness.
  - Supply Chain Opportunities - Work with renewable developers and key partners to ensure that the supply chain is not a barrier to increasing renewable generation. Identify exactly what the needs of the renewable industry are and will be with particular regards to the emerging marine renewable sector.
  - Skills Development – Work with Skills Development Scotland as key provider.
  - Research and Analysis – provide a base line of operational renewable energy development in Argyll and Bute linked to the GIS data base and development management system to accurately inform the renewable development that we have and to allow us to estimate employment and economic value. In partnership with ALIenergy develop a data base to assist the delivery of small scale renewable energy projects across our area.
- **Places:**
  - Campbeltown/Machrihanish Renewables Hub – Councils strategic investment through CHORD in respect of the Campbeltown infrastructure project with additional investment from HIE and private sector relative to Welcon
- **Communities**
  - *rural and islands* – assist in the spread of economic development benefits from renewable to all our communities but particularly to our smaller villages, towns and island communities.

Theme – Competitive Argyll and Bute, 2010/2013 Objectives— To maximise, in a sustainable manner, the socio-economic opportunities from our indigenous renewable resource to secure increased local employment opportunities, opportunities for businesses and ancillary industries and wider community benefits.					
Businesses: Business Development and Inward investment					
Ref	**Outcome**	**Actions to achieve outcome**	**Success measures/KPIs**	**Lead body**	**Risks/ risk rating**
			2010 - 2013		
	Support growing businesses and entrepreneurship in the renewable sector in Argyll and Bute- opportunities for diversification	Delivery of the Business Gateway Development Plan and work with new and existing businesses to realise the renewable energy development opportunities		ABC HIE	Argyll and Bute lags in terms of jobs and wealth creation for its residents and does not make an optimal contribution to the GES, RAP and Climate change targets.
		Identify businesses in the area which are operating/are capable of operating in the sector	Undertake audit and prepare report	HIE	
		Target support to key businesses capable of growth at the regional and national levels	Identify 6 businesses	HIE	
		Identify gaps in the supply chain which are business opportunities	Prepare report	HIE	
		Liaise with offshore developers to ensure that their needs are understood by businesses		ABC	
	Maintain R & D capacity at SAMs and investigate other opportunities	Support key R & D projects and support commercialisation		HIE	
	Attract inward investment to the area to unlock	Work with national and local partners e.g. SDI to promote and attract	Alignment of CP Partners priorities and resources	ABC	Argyll and Bute fails to maximise on the economic opportunities/investment potential from renewable and lags in

	economic potential of renewable industry.	investment Identify needs of potential investors to ensure that we can deliver these requirements.		HIE	terms of jobs and wealth creation for its residents and does not make an optimal contribution to the GES, RAP and Climate Change targets. Rating: Med
	Establish an enabling framework – provide a positive policy framework which balances the environment and economic considerations and provides sustainable solutions. Facilitate a joined up approach to renewable energy development across the area in consultation with the industry, SG and MS Support key social enterprises which have growth prospects	Work with CPP partners and the SG and developers to realise our ambitions and to address barriers to achieving this including any issues relating to Planning and Energy Consents Undertake a cumulative impact assessment relative to onshore windfarm development in order to identify potential future sustainable onshore renewable opportunities. Work closely with Marine Scotland to identify the future opportunities in the off shore wind and marine and tidal development within Argyll which secure a balance between the economic and environmental considerations for the area securing sustainable development opportunities.	Argyll and Bute Renewable Alliance (ABRA) 1 social enterprise support established.	ABC ABC ABC HIE	As above

	resulting from renewable sector				
Businesses: Supply chain opportunities and skills development					
Ref	**Outcome**	**Actions to achieve outcome**	**Success measures/KPIs**	**Lead body**	**Risks/ risk rating**
			2010 - 2013		
	Maximise the supply chain opportunities from renewables	Work with the SG in the study on the renewable energy supply chain in Scotland which will consider the potential economic value and employment potential from clean renewables	Deliver a Supply chain event in May 2010 Argyll and Bute to raise awareness of the opportunities	HIE/ABC	As above
	Secure the delivery of the necessary skills required for existing and the emerging marine renewable industry e.g. apprenticeship frameworks Up skilling programmes	Work with Skills Development Scotland (SDS), Business Gateway and HIE to deliver this	Terms of Agreement established with SDS	ABC/HIE	Argyll and Bute cannot offer the skill based required by potential investors in the renewable field and investors go elsewhere. It does not make an optimal contribution to the GES, RAP and Climate change targets. Rating: medium
Businesses: Research and Analysis					
	Outcome	**Actions to achieve outcome**	**Success measures/KPIs (to be quantified)**	**Lead body**	**Risks/ risk rating**
			2010 - 2013		

	Quantify what we are delivering with regard to economic development from renewables and SG targets and maximise future renewable opportunity both large and small scale	Provide a base line of operational renewable energy developments in Argyll and Bute linked to the GIS data base and development management system to accurately inform the renewable development that we have and to allow us to estimate employment and economic value. Work in partnership with ALIenergy to develop a GIS renewable data base to identify the capacity for small scale renewables and provide advice as regards opportunities and technologies.	Baseline of renewable energy development established and mapped Resource identified as regards small scale renewable opportunities	ABC, Alienergy	As above

Places: Campbeltown/Kintyre renewable hub					
Ref	**Outcome**	**Actions to achieve outcome**	**Success measures/KPIs**	**Lead body**	**Risks/ risk rating**
			2010 - 2013		
	Create a hub/centre for renewable development in Scotland	Investment in Campbeltown infrastructure through the CHORD programme, HIE and private sector investment – Skykon Campbletown Ltd. Maintain close relationships with Skykon group to ensure growth ambitions realised	The delivery of the Campbeltown CHORD infrastructure project in accordance with PIDs. Circa £5m of ERDF secured for Campbeltown Infrastructure. FBC approved, Construction commences. Account managed team facilitates projected growth	ABC HIE	Failure to implement agreed project Delays in project commencing Private sector investment not secured, EU funding not secured Rating: Low

Communities: rural and islands					
	Outcome	**Actions to achieve outcome**	**Success measures/KPIs (to be quantified)**	**Lead body**	**Risks/ risk rating**
			2010 - 2013		

	Assist in the spread of economic development and community benefit from renewables across our area and especially to our smaller and island communities	Continued representation on the RPAC to ensure the integrated delivery of renewable development through SRDP funding Support the work of ARC in determining issues relating to community benefit associated with future marine renewable development Roll out Council community windfarm trust fund policy to apply to any future approved on shore wind farm development. Develop new concordats with on shore windfarm companies operating in the area to secure benefit for the communities. Work with HIE and CE to secure community benefit from marine renewable.	Success measures to be established	ABC ABC/HIE ABC ABC	Argyll and Bute lags in terms of jobs and wealth creation for its residents and does not make an optimal contribution to the GES RAP and Climate Change Act Rating: Med

Notes: Lead bodies: Argyll & Bute Council (ABC); Highlands and Islands Enterprise (HIE); Scottish Development International (SDI), Scottish Enterprise (SE) Scottish Government (SG), Marine Scotland (MS) and Crown Estate (CE)

Theme C - Collaborative Argyll and Bute

This theme relates to *collaborative* priorities for Argyll and Bute Council and its community planning partners:

- **National Policy and Funding**
    - maintain focus on relevant national policies, strategies and action plans and respond to relevant consultations and maximise uptake of national funds for our renewable development priorities.
- **Building Partnerships - Argyll and Bute Renewable Alliance – ABRA**

- seek to ensure that all relevant agencies, developers and key stakeholders are engaged and are working together to realise the vision and to deliver the actions.

- **Profile and Identity**
  - promote profile and identity to policy makers, partners, investors and media.

Theme – A Collaborative Argyll and Bute, 2010/2013
Objectives—to collaborate with our private, public and community sector partners, at a local, Scottish and UK national and European level to create the right conditions to realise our renewable energy potential to derive maximum long term benefit for the area.

National Policy and Funding

Ref	Outcome	Actions to achieve outcome	Success measures/KPIs (still to be quantified)	Lead body	Risks/ Risk rating
			2010 - 2013		
ET09a	Ensure that Argyll and Bute renewable interests/issues are represented in national, UK and EU policy and strategy development to secure the delivery our vision	Ensure that Argyll and Bute Council and its CP Partners are proactive in responding to relevant consultations and proposed legislation, strategies and policies at all levels. Work with HITN, SG,CE, Marine Scotland and other key organisations to ensure our vision and aspirations are recognised and realised. Secure delivery of relevant actions in NPF2 Action Programme.	Structures plan of partner engagement implemented ABRA (see below)	ABC ABC ABC	Fail to ensure that the key issues affecting future renewable development in Argyll and Bute are not addressed or highlighted in future strategies, actions and polices at a national UK and EU level

Building Partnerships - Argyll and Bute Renewable Alliance – ABRA

	Outcome	Actions to achieve outcome	Success measures/KPIs (to be quantified)	Lead body	Risks/ Risk rating
			2010 - 2013		
	Secure engagement	Set up Argyll and Bute	ABRA established	ABC	Failure to engage with key stakeholders

	with all key players at a national and local level to allow us to realise our vision and to address any issues that are hindering our progress in the renewable field ,	Renewable Alliance and engage with key stakeholders at national and local level to ensure that we secure the right environment to allow the renewable sector to develop, with particular emphasis on marine renewable opportunities			and potential developers and do not realise fully the economic opportunities from renewables
	Secure inclusion of west coast of Argyll and Bute in future calls from the CE for wave and tidal sites - links to N Ireland call is also relevant	Work with CE to determine any future calls that will include Argyll and Bute and ensure that we are best placed to take advantage of these	Argyll and Bute in future CE calls	ABC	As above
Profile and identity					
Ref	**Outcome**	**Actions to achieve outcome**	**Success measures/KPIs (to be quantified)**	**Lead body**	**Risks/ Risk rating**
			2010 - 2013		
	Promote our profile and identity to policy markers, private sector and current and future investors and markets	Develop presentation and promotional material for external audiences and attend key events such All-energy event in Aberdeen	Attend ALL- Energy 2012	ABC/HIE	Opportunities are missed to promote our profile and policy makers and investors are unaware of what we have to offer.

9. Delivery Mechanism – Securing Our Vision

The REAP is a working document which has been developed with community planning partners and will be delivered over a three year period 2010-2013. It will be reviewed annually to ensure that it reflects partner aims and objectives and Scottish, UK, EU and international targets. Its implementation will commence in July 2010 and completed at the end of July 2013.

Local Partnership for Delivery

It is clear, that we will only succeed in realising our ambitions and priorities through input from all partners at a local, national and European level.

Renewable energy development is a corporate priority for the Council and our community planning partners. The CPP approach promotes sustainable, cohesive, systemic solutions and promotes collaboration to secure the best use of resources, deliver efficiencies across our partners in order to achieve our vision and deliver systemic change.

The REAP will be embedded within the Argyll and Bute Single Outcome Agreement, Community Plan, Corporate Plan, EDAP and Local Development Plan planning processes. The plan's annual implementation will be detailed in an annual service plan and will also be reflected in the local area plans.