

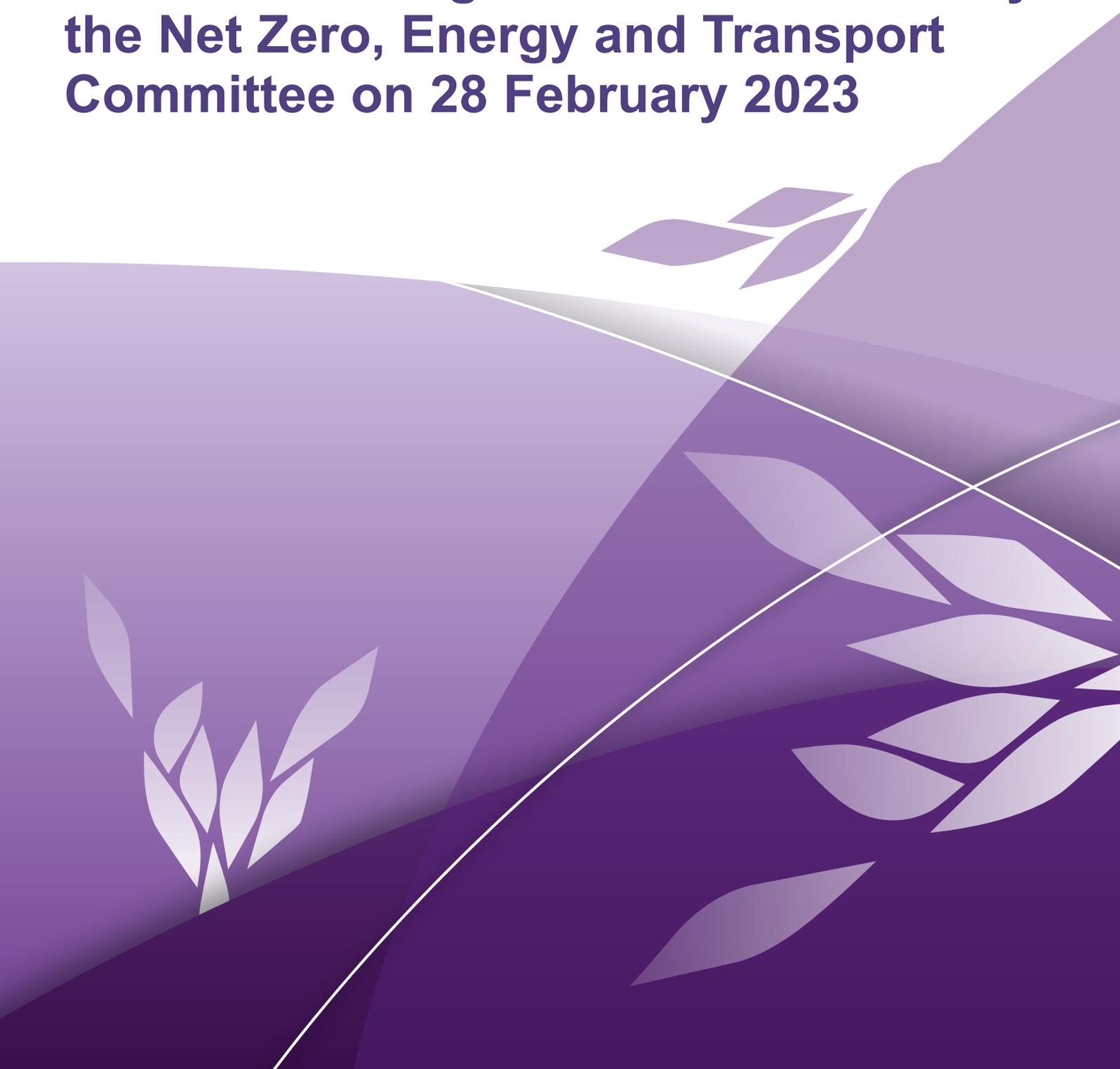


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Net Zero, Energy and Transport Committee

Subordinate Legislation considered by the Net Zero, Energy and Transport Committee on 28 February 2023



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Net Zero, Energy and Transport Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Net Zero, Energy and Transport, with the exception of matters relating to rural land use, wildlife crime and animal welfare.



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Introduction

1. At its meeting on 28 February 2023, the Committee considered two instruments—
 - [The Renewables Obligation \(Scotland\) Amendment Order 2023](#) [draft]
 - [The National Bus Travel Concession Schemes \(Miscellaneous Amendments\) \(Scotland\) Order 2023](#) [draft]
2. The evidence taken and debate held at that meeting on both instruments can be found in the Official Report—

[Read the Official Report from 28 February 2023.](#)

The Renewables Obligation (Scotland) Amendment Order 2023 [draft]

3. [The Renewables Obligation \(Scotland\) Amendment Order 2023 \[draft\]](#) was laid before Parliament on 26 January 2023 and is subject to the affirmative procedure. The draft instrument was referred to the Net Zero, Energy and Transport Committee for consideration.
4. It is for the Net Zero, Energy and Transport Committee to recommend to the Scottish Parliament whether the Order should be approved. The Cabinet Secretary for Net Zero, Energy and Transport lodged motion [S6M-07677](#) which recommended the Committee approve the Order.
5. [The Policy Note](#) accompanying the draft instrument explains its purpose is to amend the ‘mutualisation threshold’ currently set at a fixed level (£1.54m) to a variable level, set at 0.1% of the total cost of the RO scheme across the UK.
6. The Delegated Powers and Law Reform (DPLR) Committee considered the instrument at its meeting on 7 February. [In its report published later that day](#), it agreed that it did not need to draw the attention of the lead committee on any grounds within its remit.

[Read the Official Report from 7 February 2023.](#)

7. At its meeting on 28 February 2023, the Net Zero, Energy and Transport Committee took evidence on the draft Order from—
 - Michael Matheson, Cabinet Secretary for Net Zero, Energy and Transport, Scottish Government;
 - Aedan MacRae, Energy Policy Officer, Scottish Government; and
 - Robert Martin, Team Leader, Electricity Security, Scottish Government.
8. In his opening remarks, the Cabinet Secretary gave an overview of the Renewables Obligations scheme and how it operates. He said the Order would ensure that suppliers and in turn their customers, are not more likely to face the costs of mutualisation in Scotland than in other parts of the UK.ⁱ
9. The Committee probed the reasons for suppliers defaulting on their obligations. The Cabinet Secretary said greater competition and volatility in the market, in addition to the level of the current mutualisation threshold and ways companies pay into the scheme all played their part in companies dropping out of the energy market.ⁱⁱ
10. Members asked if the Cabinet Secretary was content that the scheme was functional, noting the additional burden placed on companies already complying with their obligations should others fail to do so. The Cabinet Secretary said the change in threshold would ensure the mutualisation process operates fairly,

ⁱ Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), cols 2-3.

ⁱⁱ Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), col 4.

meaning compliant companies will not be unfairly penalised. The Cabinet Secretary also noted that Ofgem was carrying out work which would ensure companies have the appropriate financial protections in place to reduce their risk of falling out of the market.ⁱⁱⁱ

11. Following the conclusion of evidence taking, the Cabinet Secretary moved motion S6M-07677 in his name—

That the Net Zero, Energy and Transport Committee recommends that The Renewables Obligation (Scotland) Amendment Order 2023 [draft] be approved.

12. The motion was agreed to without debate or division.

ⁱⁱⁱ Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#) , cols4-5.

Conclusion

13. The Net Zero, Energy and Transport Committee recommends that The Renewables Obligation (Scotland) Amendment Order 2023 [draft] be approved.

The National Bus Travel Concession Schemes (Miscellaneous Amendments) (Scotland) Order 2023 [draft]

14. [The National Bus Travel Concession Schemes \(Miscellaneous Amendments\) \(Scotland\) Order 2023](#) [draft] was laid before Parliament on 27 January 2023 and is subject to the affirmative procedure. The draft instrument was referred to the Net Zero, Energy and Transport Committee for consideration.
15. It is for the Net Zero, Energy and Transport Committee to recommend to the Scottish Parliament whether the Order should be approved. The Minister for Transport lodged motion [S6M-07689](#) which recommended the Committee approve the Order.
16. The instrument pertains to the operation of two National Bus Travel Concession Schemes in Scotland—
 - The National Bus Travel Concession Scheme for Older and Disabled Persons (hereafter 'the Older and Disabled Persons Scheme')
 - The National Bus Travel Concession Scheme for Young Persons (hereafter 'the Young Persons Scheme')
17. [The Policy Note](#) accompanying the draft instrument explains that its purpose is to sets out the capped level of funding for the Older and Disabled Persons Scheme in respect of the financial year 2023- 2024. It also sets out reimbursement rates for bus operators in respect of 2023-2024 for both the Older and Disabled Persons Scheme and the Young Persons Scheme.
18. The DPLR Committee considered the instrument at its meeting on 7 February. [In its report published later that day](#), it agreed that it did not need to draw the attention of the lead committee on any grounds within its remit.

[Read the Official Report from 7 February 2023.](#)
19. At its meeting on 28 February 2023, the Net Zero, Energy and Transport Committee took evidence on the draft Order from—
 - Jenny Gilruth, Minister for Transport, Scottish Government;
 - Gary McIntyre, Economic Adviser, Transport Scotland; and
 - Debbie Walker, Operations and Business Manager, Transport Scotland.
20. In her opening remarks, the Minister explained that the Order would allow bus operators to continue to be reimbursed for journeys that are made under the Older and Disabled Persons Scheme and the Younger Persons Schemes after the expiry of current provisions on 31 March.^{iv}

21. The Committee asked if Transport Scotland intended to undertake analysis of the social and economic impact of introducing the Young Persons Scheme. The Minister said there would be a one-year evaluation beginning in April which will look at a range of different behavioural changes around bus travel as a result of the Scheme and its implications for young people. The Minister undertook to write to the Committee once the study had been completed to share its findings.^v
22. Members asked if the review being undertaken by Transport Scotland would also evaluate how the Young Persons Scheme is operating in rural and in semi-rural areas. The Minister said this was an important issue and she would make sure these elements were incorporated into the analysis.^{vi}
23. Members probed if the Scottish Government intends to set a cap on funding on reimbursement costs from the Young Persons Scheme. The Minister said it was likely they would need to introduce a cap in future years.^{vii}
24. The Minister was questioned about media reports that the Young Persons Scheme would cost up to £300 million. She responded that her officials believed this figure came from a miscalculation and was therefore inaccurate.^{viii}
25. The Committee explored the Minister's views towards extending the Young Persons Scheme to include a wider age range. The Minister said work had been undertaken by Transport Scotland to look at the scope for extending the Scheme. However, the Minister indicated that extending the Young Persons Scheme would not be congruent with the current budgetary pressures the Scottish Government is facing.
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26. Members asked if the Minister envisioned there being a greater demand for the Older and Disabled Persons Scheme than the capped level of funding of £216 million. The Minister said she thought the budget should be sufficient based on the modelling of services Transport Scotland have carried out, but noted that demand remains in a state of flux following the pandemic.^x
27. Following the conclusion of evidence taking, the Minister moved motion S6M-07689 in her name—
- That the Net Zero, Energy and Transport Committee recommends that The National Bus Travel Concession Schemes (Miscellaneous Amendments) (Scotland) Order 2023 [draft] be approved.
28. The motion was agreed to without debate or division.

64-65.

v Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), cols 66-67.

vi Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), col 69-70.

vii Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), col 67.

viii Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), col 68.

ix Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), col 68-69.

x Net Zero, Energy and Transport Committee. [Official Report, 28 February 2023](#), col 70.

Conclusion

29. The Net Zero, Energy and Transport Committee recommends that The National Bus Travel Concession Schemes (Miscellaneous Amendments) (Scotland) Order 2023 [draft] be approved.

