

I'm delighted to welcome you all to Glasgow. The All Energy Conference is always a hugely important event.

However – given the context in which we meet – this year's conference is perhaps especially significant. In the last few months, we have seen an unprecedented level of climate change activism – here in the UK, and in countries around the world.

We've also seen the publication of two major international reports – the IPCC report last year, and the UN report about the loss of biodiversity on the planet.

And of course, earlier this month, the UK Committee on Climate Change published its advice on UK emissions.

Their report is – in my view – one of the most important documents that will be published in the UK this year. It reflects the latest scientific evidence. And it demonstrates that a rapid decarbonisation of our economy is both environmentally essential, and practically achievable. I want to thank Chris Stark, and everyone from the Committee, for the work that went into it. The Committee recommends that Scotland should achieve net zero greenhouse gas emissions by 2045. That's a faster rate than is proposed for any other part of the UK.

The Scottish Government fully accepts the Committee's advice – we're the first country in the UK to do so. That's why we have updated our Climate Change Bill. It already contained the world's toughest statutory targets for emissions. They will soon be even tougher.

As a result, Scotland is not just maintaining our status as world leaders – we are redefining what it means to be world leaders.

And today's announcement from Scottish Power and Glasgow City Council – that they aim to make Glasgow the U.K.'s first net zero city – shows that some parts of Scotland may show even greater ambition. I congratulate Keith [*Anderson*] and Eva [*Bolander*] on their initiative.

Annual Energy Statement

Now, the Annual Energy Statement – which the Scottish Government is publishing today – helps to illustrate the progress we've already made.

For example, it shows that in 2017, 1/5 of Scotland's energy needs – for electricity, transport and heat – were met by renewable sources. In 2016, it was less than 1/6. That's doesn't sound like a massive increase – but if we sustain it, in the long term, it will become very significant.

Renewable sources generate 75% of our electricity demand. That's a record high.

We are also making steady – if more modest - progress in reducing transport emissions. In 2018, registrations for ultra-low emission cars in Scotland were up 39% on the previous year.

Alongside electricity and transport, we are also taking steps to decarbonise heat. For example, we are investing heavily in district heating schemes.

In addition, we're stepping up our efforts to reduce overall energy use. At last year's conference I set out our plan to ensure that – by 2040 – all Scottish homes have a good energy efficiency rating. We're currently consulting on the impact of bringing that target date forward.

I won't pre-empt that consultation, but it is interesting that – just one year on from a previous announcement – we are already considering whether an even more ambitious target is possible.

It's actually an example of something we're seeing a lot these days – the momentum for change is allowing us to set our ambitions higher than previously seemed possible.

Just last week, it was announced that – for the first time since 1882 – Britain had gone a week without using coal to generate electricity. For most of the last century, that idea would have been unthinkable. But now, coal free electricity is becoming a reality.

We need to see a similar transformations now – across our economy and our society. And of course, we need to ensure that they happen far more rapidly than the move away from coal.

The exhibits on display at this event show why our ambitions are realistic. From offshore wind, to marine renewables to bioenergy, the businesses and organisations represented here today are at the forefront of global energy technology.

Many of you will play a part – not just in helping Scotland to meet new emissions targets – but in helping the world to tackle the most important issue of our age. That’s a fact that should inspire all of us. Scotland and Glasgow helped to lead the world into the industrial age – we now have an obligation and an opportunity to lead the world into the zero emissions age.

Meeting Future Ambitions

However, as the Committee on Climate Change has made very clear, Scotland’s ability to achieve these transformations is not entirely in our own hands. It will also depend on the actions of the UK Government.

Brexit is one part of that. I don’t intend to dwell on this too much. But as all of you know, single market membership has helped the sector to attract significant investment. We also benefit hugely from international collaboration on research projects.

For that and many other reasons, the Scottish Government believes the issue of Brexit should now be put back to the people – with an option to remain in the EU.

In addition to Brexit, Scotland is also critically affected by the UK Government’s wider climate change policies.

The Committee on Climate Change was clear in its report that for Scotland to achieve net zero emissions by 2045, the UK Government must play its part. We believe it should set a target of net zero emissions for the UK by 2050 and urgently put in place the policies that will deliver that target.

An important example of this is in carbon capture and storage. For me, that was a very striking part of the Committee’s report. It was absolutely unequivocal that to achieve net zero emissions, ‘CCS is a necessity, not an option’.

Scotland has the offshore expertise – and the carbon storage potential – to be a natural centre for this new technology. In fact, this is one of several areas where the existence of a strong oil and gas sector can help us in the transition to a zero emissions economy. But the Scottish Government cannot support the sector on our own.

In addition, when the UK Government publishes its Energy White Paper, we believe that it should significantly expand its support for renewable and low carbon technologies. The Offshore Wind Sector Deal is a step in that direction. We'd like to see a similar approach taken – for wave, tidal, solar, and hydrogen. And we also want to see support reintroduced for onshore wind.

The Committee's report made it clear that to reach net zero, we need a further major expansion of renewably generated electricity. Support for those technologies continues to be crucial.

Of course, as we provide that support, it is vital that our people and our communities see clear benefits.

There are two specific aspects of that, which I want to talk about today.

The first relates to economic opportunities and employment. We want more and more people to share in Scotland's energy success.

If you stand outside this building and look south, you can see the turbines of Whitelee Wind Farm. It's the largest onshore windfarm in the UK – and one of the largest in Europe.

Scotland is home to the world's first floating offshore wind farm; the world's most powerful tidal turbine; and the world's largest planned tidal array. We also have huge capabilities in wave, hydro, and solar.

At the moment, our low carbon and renewables sector accounts for 46,000 jobs. However, we believe that with Scotland's combination of strengths – not just in electricity generation, but in areas such as smart grids, renewable heat, battery storage and energy efficiency – our supply chain should be doing even better.

That's one of the reasons why we welcomed the Offshore Wind Sector Deal – and the commitment to 60% UK content in offshore wind projects. And it's why, earlier this month, the Scottish Government convened a summit – involving developers, manufacturers and the UK government – to discuss how that target will be met.

But of course, this is not just an issue for offshore wind. Across the energy sector, we want to see a much stronger focus on capitalising on the strengths of Scotland's supply chain.

Now, we recognise that firms here in Scotland need to play their part – by making the necessary investments to win – and deliver on – contracts. But within the sector, project developers have to do more – to use the talent and expertise Scotland has to offer.

For many years, the Scottish Government has demonstrated our support for the sector. We need to be able to demonstrate the benefits of that support, to the people of Scotland.

Consumer Action Plan

That's true of the second area I want to talk about.

As the energy market continues to evolve, we need to ensure that it is more responsive to people's needs and interests.

We know – at the moment – too many consumers feel that they have little understanding of the energy market – and no say in how it works. As an MSP, that's a message I hear regularly from my constituents. And it's one we need to address.

If we are to influence consumer behaviour in the future, we need to build trust – and ensure that the system put people first.

That's why today, the Scottish Government is publishing our Energy Consumer Action Plan. It sets out what we will do to ensure better outcomes for consumers, in our energy market.

For example, we will create a new fund – to explore solutions to the common problems consumers face. It could – for instance – find new ways for people to switch energy provider, as a group.

We will also place a new statutory duty on Scotland's public bodies – so that consumers' interests are placed at the heart of our decision-making – on energy, and every other issue.

In addition, we are committing to work with industry, consumer groups and Ofgem to produce an Energy Consumers Charter. The Charter will set out clearly what people can expect from their energy provider – and the energy market.

These are just a few examples. Taken together, the actions we're setting out will help to empower consumers. They will create a common understanding of how our energy system should work. And crucially, they will help to ensure that – as that market evolves – the interests of people and communities are paramount.

Just Transition

That underlying principle – that the transformation of our energy system must benefit everyone – is also at the heart of the Scottish Government's Just Transition Commission. Professor Karen Turner – who we'll hear from a little later – is one of the Commission members.

I grew up in Ayrshire in the 70s and 80s. I remember vividly the devastating impacts of deindustrialisation. The fear of unemployment was pervasive. Lasting scars were left in so many communities like mine. And of course elements of that legacy are still with us today.

The decarbonisation of Scotland's economy must be handled better.

That's why we appointed the Just Transition Commission. It's also why I was glad to see that the Committee on Climate Change placed such an emphasis on fairness in its report. We have to ensure that the zero emissions age doesn't just make Scotland a greener nation – although it will. It should also make us a healthier, wealthier and fairer nation.

Conclusion

I mentioned at the start the unprecedented level of climate change activism that we've seen.

Later today I'll meet some of the young campaigners in Scotland – who have gone on strike from their schools, on Friday afternoons.

Their message is an urgent and pressing one. But the Commission on Climate Change has pointed the way towards a response which is urgent and also achievable. We need to ensure that Scotland is a zero emissions economy by the time they are in their early 40s.

Decarbonising our economy presents significant challenges. But it also presents major opportunities – to create jobs and prosperity; to improve people’s quality of life; and – in doing so – to build a stronger society and a better world.

So my pledge to you is that the Scottish Government will play our part. We will do everything we can to support the low carbon and renewables sector. And – working with you – we will take the action necessary to make Scotland a net zero emissions country.

In doing so, we will ensure that Scotland remains at the forefront of the fight against climate change. And we will ensure a better future for generations to come.

So thank you for the role you are playing, in that effort. I wish you all of you all the best, for a very successful conference. And I look forward to working with you in the months and years ahead.