

Scotland's Energy Tragedy

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Introduction

Forget "The Scottish Play". Energy is the real tragedy played out in Scotland.

As you drive into Kirkcaldy from the west, there is a view that captures three momentous eras in the history of Scotland's energy, framed by the Fife coast, Lothians, North Sea, and the sky. Three industrial eras, three acts in a "potentially" tragic play in which the final scenes are yet to be written.

To the right, the concrete stumps of Seafield colliery protrude deathly from the shallow shores of the old coal mine – tombstones to a bygone age. The pit is long gone, closed in 1988 and replaced by a private housing estate with sea views – Thatcher's dream. Its closure, part of the vicious final scenes of deindustrialisation, drew the curtain down on 200 years of Scotland's first energy tragedy - Act 1: Coal.

Act 1

There are no coal mines in Scotland now. The social and economic scars run deep, but there are only a few physical signs left of its existence – mostly old overgrown rail tracks,

the arteries that extracted the wealth, bled communities dry and deposited prosperity in distant pockets.

Continue along the promenade, Kirkcaldy's golden mile, and you can see all the way out to the North Sea, past Methil, towards the East Neuk. Parked up, a queue of oil rigs that stretch out into the firth waiting to be decommissioned. The rigs, like milestones marshalled to mark the end of the road for Scotland's second great energy bonanza – Act 2: Oil.

Act 2

After 50 years of one of the largest natural resource discoveries the world has ever known, Scotland has nothing to show for it – except the endemic public health issues, lack of infrastructure and dearth of hope for our young.

The second great act of this Scottish tragedy is the darkest, especially when contrasted with other small nations like Norway or the Emirates – compare the health, infrastructure and skylines of these countries with Scotland over the past 50 years. Despite continuing to be one of Europe's biggest oil producers, with the closure of Grangemouth, we will soon have to import all of our oil-based products. This is expensive, perverse and unjust. It strips Scotland of her natural resource, extracts wealth and engenders dependence.

Unlike coal, the physical scars this time are less immediately obvious. We can't see the pipelines that bled the nation of her wealth. However, there is a creeping, seeping, potentially mortal wound – the planet is boiling. Despite having received little of the benefits of fossil fuels, our children will have to deal with the impacts of climate change. This is where we do have a chance to change the future for our children – to help right the

wrongs. Green is not just the solution to climate change; it is a huge social and economic opportunity. Can redemption be ours, or will our children be victims to the same malevolent, extractive foreign powers?

Act 3

Act 3: Renewables, takes shape in the distance beyond the East Neuk. We see the Neart Na Gaoithe (NnG) offshore windfarm coming to life. A two-billion-pound (£2,000,000,000!) wind farm built by state-owned French electricity company – EdF. Not a single bolt was manufactured in Scotland: An entire project imported lock, stock and barrel. It looks likely that the people of France will earn more from this wind farm than the people of Scotland. Scotland's third great extractive economy is underway.

Most self-governing countries insist on a certain level of local spend and content in major energy or infrastructure projects. Not Scotland. The UK Government, Scottish Government and Crown Estate Scotland will tell you that targets have been written into contracts. This may be true, but the penalties for missing them are paltry, measuring in the thousands of pounds, so they are meaningless and ignored.

In other countries, like Canada, Indonesia, France, Emirates to name just a few, a company or project can expect to typically deliver 40% – 60% local content or In Country Value (ICV) – defined as the percentage of total project cost, spent on goods and services in the local country. If a company doesn't deliver, it may forfeit the project – huge penalties are stringently enforced. The stakes are high. Heads are on the block. The game is real.

To give some scale of the opportunity that is currently being thrown away by Scotland, if we had insisted on, say, 40% local content in the NnG wind farm, that would have resulted in £800 million spent in the Scottish economy, building up our domestic supply chain companies, the money recycled over and over again in our communities, and the creation of a domestic renewables sector that can then export globally.

Around £800 million from this one (relatively small) project is the amount that the Scottish Government and Crown Estate Scotland received from all 20 of their ScotWind leasing round contracts. What a giveaway. Imagine the potential of 20 times £800m coming into the Scottish economy over the next five to 10 years. And that is before we start talking about a Scottish National Energy Company, and entire clean industries based on cheap green energy (green steel, green whisky, green agriculture, etc) and those beautiful, beautiful exports.

As things stand our children will look at the Scottish horizon and see these rotating turbines for the next 25 years, symbols of wealth extraction. Every revolution of the blades sending hope, aspiration and cash into offshore accounts, tax havens and foreign pockets – not young Scots' pockets, lives or futures.

Of course, energy is a reserved power. Westminster is squarely to blame for Scotland's results with coal, oil, gas and now renewables (grid, charging, tariffs, etc). Scotland has been asset-stripped, wealth off-shored, hope and investment suffocated with short-termism. Our energy and industrial strategies are an abomination.

Despite Westminster's unquestionable failures, there are many things, easy things, that the Scottish Government should be doing to capture billions of pounds worth of opportunity, but they seem uninterested or without the hunger to pursue this.

The Scottish Government lacks strategy and conviction. By way of simple examples, we could have retained a 29% share in each ScotWind lease, created our own national energy company and piggy-backed on the professionalism of the lease winners. We could

enforce local content targets by rewarding lease holders who excel with preferential treatment in planning and consents, eg go to the front of the queue. We could set our universities on a war-footing mentality (just get it done!) and align with a green industrial strategy, especially hydrogen. All easy wins, short-term cost neutral, long-term financial heaven – none have been even attempted. There are many more examples of what we can be doing with a little guile, conviction and strategy.

There is no doubt that the exploitation of and wealth extraction from Scotland is a direct result of a British imperial culture. You need only compare our economy to other small European nations to see how we are held back. A political union that centralises power, puts establishment and corporation above people, and saves nothing for a rainy day, is doomed. As huge wealth bypasses our communities and is syphoned off to foreign lands, it robs our children of their future as it exits Scotland. Put simply, the UK is a system designed to extract wealth, channel it to the wealthy class in London, who then horde it ... increasingly offshore.

The Final Act

But the story is not over. The final act not written. Our children's future need not be a tragedy.

Coal, oil and gas are finite. The thing about renewables is that they deliver perpetual revenue. We just need to make sure we channel the value, wealth and hope towards our children, our communities, and our country's future. This can only be done politically. The Scottish Government needs to up its game, develop some growl, show its teeth and do things very differently for the people of Scotland.

For much of the last decade, the Scottish Government has seemed (at best) indifferent to business, increasingly impotent when dealing with the corporate world and devoid of strategy for independence. This must change. The choice is in our hands and our children's futures depend on it.

The people of Scotland are always best served when decisions are taken by the people of Scotland, for the people of Scotland – a proper Scottish democracy. We need more democracy and government closer to the people. If we don't seize the opportunity and change the narrative in Act 3: Renewables, then our greatest asset, our people, will also be extracted as we have been for centuries, seeking the hope and opportunities offered overseas.

I park at the far end of Kirkcaldy, walk onto the High Street and stop. Kirkcaldy and its High Street is not just run down, it is poor. It must be one of the most depressing high streets in Scotland, and competition for that title is fierce. Fifty years of oil and gas; nothing to show. This was the UK Chancellor and British prime minister's constituency and yet it has seen decades of decline. This poignant spot is a metaphor for Scotland – closed shops, a rundown close, defunct lights and a faded plaque stating that Adam Smith lived here. Yes, this heartbreaking location is where "The Wealth of Nations" was written, that great treatise on national wealth and economics. Such cruel irony underlining the poor state of our nation.

It need not be like this. It should not be like this. Our children deserve better. The examples of how to make things better are all around –Denmark, Norway, Ireland. Scotland is arguably better placed than most for success – an educated population, favourable geography, abundant resources. But we are held back by others making decisions for us that are not in our best interests. The wealth, health and happiness of Scots can only be realised by the people of Scotland. No one else is going to do it for us.

At the curtain call, those future generations will decide whether we have presided over tragedy, facilitated farce, or created a sweeping historical epic where, ultimately our people, communities and nation flourish. Regardless of political colour or hue, every Scot – all our children – will be impacted by our decisions for generations to come. The future of our children is our responsibility and in our hands. We must not fail them. Is it time for the people to get out of the stalls and onto the stage?

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<https://www.thenational.scot/politics/24145789.top-renewables-firm-ceo-scotlands-energy-story-tragedy/>
