

Scottish Affairs Committee

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# **Clean Power by 2030: A fair deal for Scotland?: Government Response**

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First Special Report of Session 2026–27

HC 579

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# Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the offices of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)) and its associated public bodies.

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## Publication

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## Contacts

All correspondence should be addressed to the Clerk of the Scottish Affairs Committee, House of Commons, London SW1A 0AA. The Committee's email address is [scotaffcom@parliament.uk](mailto:scotaffcom@parliament.uk).

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# First Special Report

The Scottish Affairs Committee published its First Report of Session 2026–27, [Clean Power by 2030: A fair deal for Scotland?](#) (HC 164), on 21 May 2026. The Government Response was received on 16 July 2026 and is appended below.

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## Appendix: Government Response

### Introduction:

The Government welcomes the Committee’s report and is grateful to the Committee for its inquiry, and to all who provided evidence to it.

Clean Power by 2030 is an ambitious mission, but it needs to be and we believe it is achievable. This Government’s vision is of Scotland as the powerhouse of our plans for clean energy, with the rapidly growing clean energy industry in Scotland crucial to delivering Clean Power by 2030, strengthening energy security and helping to bring bills down for good. Scotland already has significant clean energy strengths, including 18 GW of renewable electricity capacity, with over 4GW more procured through two record breaking auctions. Renewable generation’s role will continue to grow as we deliver the next phase of clean power investment.

The North Sea has powered Britain for decades and remains central to Scotland’s energy story, but its oil and gas basin is in long-term decline. Our objective is to manage that decline responsibly while securing Scotland’s role in Britain’s clean energy future. By bringing together Scotland’s expertise, natural resources and investment, we can set the course for another 50 years of enduring success and ensure that no workers or communities are left behind.

Delivering this transition will require overcoming the challenges identified by the Committee, including expanding grid capacity and capitalising on the economic opportunities provided by long duration electricity storage (LDES), reforming connections processes, ensuring system costs are shared fairly, and maintaining public confidence in the pace and fairness of the transition. The UK Government is addressing these challenges through action to upgrade the grid, improve how projects connect, reduce the impact of constraints on consumers, and support the delivery of new clean energy infrastructure.

We are committed to doing this in partnership with the Scottish Government, as we did, for example, through the joint work on Scottish electricity infrastructure consenting during passage of the Planning and Infrastructure Act, the joint commissioning of the National Energy System Operator (NESO) to develop the Strategic Spatial Energy Plan (SSEP), and joint actions to support Grangemouth and attract new investment to the site.

As Scotland's energy sector continues to expand and diversify, building on the legacy of the North Sea, we are committed to ensuring that its skilled workforce and energy communities benefit from the transition. Fairness, community acceptability and a just transition are central to achieving Clean Power by 2030. For Scotland, this means supporting workers, helping households with energy costs, and ensuring communities hosting new infrastructure see clear and lasting benefits. Through measures such as the North Sea Jobs Service and the Skills Passport, we will support workers to move into secure, growing clean energy roles, protecting jobs now while building the next generation of good jobs.

Scottish consumers, as with the rest of the UK, are concerned over the cost of energy. Tackling the affordability crisis is our number one priority and we are doubling down on our efforts to bring the benefits of Clean Power to consumers across the country. Exposure to global fossil fuel markets has increased the cost of electricity in this country, which is why we are acting to bring bills down now, going further and faster on Clean Power in pursuit of low-cost clean power and national energy security. New analysis shows that, since the start of the Iran war, households with gas boilers and petrol cars have seen energy bills rise almost four times more than those with heat pumps and EVs. A typical household could save around £1,200 a year today by combining an EV, a heat pump, solar panels and a time-of-use tariff. This rises to around £1,900 for some rural homes.

We are also taking action for the long term for Scottish households, including by addressing the impact of network costs and constraints on bills and working with the independent regulator to ensure charges are fair, sustainable and support system investment. As we do so, this Government

is investing £15 billion in home upgrades through our Warm Homes Plan, so millions more families can cut their energy bills by installing technologies like solar panels. The Scottish Government have responsibility for many of the policy levers needed to deliver warmer homes in Scotland and been given funding through the Barnett formula. The UK Government will continue to work closely with the Scottish Government to align strategies.

We are keen that communities benefit from this new industry and infrastructure. Government investment, alongside the certainty we are providing to the private sector, is helping to unlock clean energy projects across Scotland, strengthen domestic supply chains and ensure that communities hosting energy infrastructure see clear and lasting benefits, including through community benefit schemes and opportunities for shared ownership.

The Clean Power by 2030 mission underpins this approach and has seen coordinated action across Government, industry, regulators and devolved governments, alongside sustained investment in networks, generation and flexibility. We are working in partnership with the Scottish Government to deliver these outcomes in a way that reflects local needs and maximises the economic opportunities for Scotland.

### **Scotland and Clean Power by 2030 – Conclusions and Recommendations**

- 1. The Clean Power by 2030 target is extremely ambitious, and we would suggest the Government must use all the levers it possesses if it is to achieve it. Maintaining public confidence and rebuilding political consensus around the pace, cost and implementation of the energy transition will be essential if the UK is to meet this Government's clean energy mission. This confidence will be undermined if targets are missed. The UK Government must reflect on this risk and ensure it continues to be realistic about the deliverability of its clean power ambitions. (Conclusion, paragraph 12)**
- 2. The risk of undermining confidence in the transition is especially acute for those Scottish communities being asked to host significant new energy infrastructure. In many cases, these communities—often in rural and remote Scotland—already feel disproportionately affected by the costs and impacts of the transition. These communities are also experiencing higher energy costs due to higher standing charges, limitations on the type of fuel they can access, and housing stock which can be harder to heat. Clean power targets will only succeed if communities experience the transition as something that is done with them and not to them. It would be damaging to the UK's clean power ambitions for there to be a perception that Scottish communities are being disadvantaged as a result of the ambition around clean power. (Conclusion, paragraph 13)**

3. **Great British Energy has important objectives and the backing of a substantial £8.3 billion capital funding allocation. However, the organisation remains in its infancy and is yet to become the fundamental driver of clean energy development it is envisioned to be. To a certain extent, this reflects the fact that it is only one year since it was formally established, but we note that GBE was billed as a key vehicle in the delivery of the Government's CP2030 mission, now just three and a half years away. It is important that claims made about GBE and its capabilities are realistic, and that public understanding and expectations about its role in the transition are managed accordingly. (Conclusion, paragraph 21)**
4. **If Great British Energy is to become the catalyst required to accelerate renewable generation and meet CP30, it must now move quickly beyond the initial start-up phase and scale up delivery. This will be especially important if it is to fully deploy its share of the £8.3 billion capital allocation made to GBE and GBE-Nuclear by the end of this Parliament in a responsible way that maximises value for taxpayer's money. (Conclusion, paragraph 22)**
5. ***The Government's intention to take a more direct role in determining Great British Energy's investment in Scotland, rather than allocating funding through existing Scottish Government programmes and public bodies, presents a potential risk of duplication and inefficiency. In its response to this report, the Government should set out how it intends to work with the Scottish Government to mitigate this risk, and ensure taxpayers' money is spent in the most efficient way.* (Recommendation, paragraph 23)**
6. ***Given Great British Energy's core objective is to increase public ownership of clean power, transparency is essential. In its response to this report, the Government should clarify how much of Great British Energy's £8.3 billion capital allocation has been spent to date and on which projects. It should also set out how it intends to ensure Great British Energy's spending and returns are regularly reported and accessible to the public moving forward.* (Recommendation, paragraph 24)**

The Government partially agrees with these conclusions and recommendations.

In response to the Committee's conclusion that the Clean Power 2030 target is extremely ambitious, we agree - but based on the independent advice of our National Energy System Operator - we believe that it is achievable, and the right thing to do. Over the past two years we have been delivering on this ambitious plan to move our electricity system to clean power that we control – breaking our dependence on imported fossil fuels and protecting

everyone from future price spikes. The Government is committed to delivering clean power because it gives us energy security, helps tackle the climate crisis and creates hundreds of thousands of jobs across Britain.

Since we published the Clean Power 2030 Action Plan in December 2024, we have accelerated delivery of clean power at pace. We have reformed the electricity market through our REMA decision on national pricing and delivered the most successful renewables auction in history. Allocation Round 7 secured a record 8.4GW of offshore wind, alongside 4.9GW of solar and 1.3GW of onshore wind, taking total new capacity to 14.7GW. This is unlocking over £22 billion of private investment across offshore and onshore technologies, supporting jobs and growth across the UK while reducing reliance on volatile fossil fuel markets.

We have also published our Solar Roadmap and Clean Flexibility Roadmap and taken further action to strengthen system resilience and flexibility, including introducing a new cap and floor scheme for Long Duration Electricity Storage, unlocking multi-billion pound investment in this critical infrastructure for the first time in decades.

Alongside this, we are going further and faster to accelerate delivery of our clean power mission. This includes bringing forward the next renewables auction to maintain investor momentum, introducing plug-in solar to expand access to low-cost generation, and applying reforms to speed up infrastructure delivery across renewables and nuclear. We are also unlocking new capacity by mobilising public land across government and accelerating build-out of critical projects, including grid infrastructure and connections reform to get projects connected more quickly. At the same time, we are stepping up action to drive electrification across the economy, making it easier for households to access technologies such as solar, heat pumps, batteries and electric vehicles, and accelerating investment through the Warm Homes Plan to ensure families benefit sooner.

This matters for bills as well as delivery. The independent Climate Change Committee has been clear that households are already paying more because the UK is not electrifying fast enough, leaving them exposed to volatile fossil fuel prices. Clean power is therefore essential not only for decarbonisation, but to enable electrification across the economy and protect households from future price shocks.

In response to the Committee's conclusion on community benefits, the Clean Power 2030 Action Plan is clear that communities which host clean energy infrastructure will benefit from it. Communities across the country will play a key role in delivering Clean Power 2030, and the government is committed to ensuring that those who host transmission infrastructure share in the

benefits. The scale of investment and new industries being delivered will create lasting economic opportunities across the UK, and we will set out further detail on this later in this response.

Great British Energy (GBE) has made significant progress since its inception. This includes rapidly scaling up its organisational capabilities, opening its headquarters in Aberdeen and making several initial investments in clean energy projects. Investments include an option to invest £50mn in Pentland Offshore Wind Farm alongside Scottish National Investment Bank and National Wealth Fund. DESNZ and GBE jointly published the Local Power Plan in which GBE committed up to £1 billion of support for Local and Community Energy; and announcing the £1 billion 'Energy, Engineered in the UK' programme, of which the £300 million Supply Chain Fund for UK companies focused on Offshore Wind & Networks is the first step. GBE continues to explore strategic investment and development opportunities. GBE also published its Strategic Plan in December 2025, which sets out its targets for 2030; against which its performance will be monitored by government.

Although GBE will make an important contribution to Clean Power 2030, GBE's remit goes beyond 2030 and is also about supporting the UK become a Clean Energy Superpower and achieving Net Zero 2050, by taking a long-term view on investment and development activity.

In response to the Committee's recommendation on transparency and reporting of GBE's spending, GBE, like all companies, is required to publish an annual report and accounts which will include detail on spend and project pipelines for the relevant year on an annual basis. This report will be laid before Parliament as required by the GBE Act and thus available to the public. GBE regularly publishes announcements on its activity, available on its website, and will continue to operate with a high degree of accountability and transparency. More detail on GBE's governance and reporting arrangements are set out in its Framework Document, which is published on GOV.UK.

In response to the Committee's recommendation regarding the risk of duplication and inefficiency, GBE has a mandate to operate across the whole of the UK, including Scotland. Energy policy is broadly a reserved matter, and the UK Government wants to drive the benefits of GBE across the UK. GBE's role is not to duplicate existing Scottish Government programmes or public bodies, but to work constructively with them so that public investment is targeted where it adds most value. GBE is therefore engaging regularly with the Scottish Government, including through partnership arrangements with the Scottish Government and Crown Estate Scotland, to align priorities, share information and support efficient delivery.

GBE's supply chain work and commercial investment activity will operate across the UK, supporting Scottish companies, projects and consumers where they meet GBE's strategic objectives and value-for-money requirements. GBE plan to make announcements this summer about how they will deliver the commitments made in the Local Power Plan to support local and community energy projects across the UK.

### **Upgrading the Grid for CP30 – Conclusions and Recommendations**

- 7. Scotland currently faces higher-than-average standing charges, largely reflecting the higher costs of transporting power to rural areas compared with large population centres. The burden of higher standing charges is particularly acute for Scotland's remote and island communities, who also experience higher levels of fuel poverty and, in many cases, are bearing the brunt of the infrastructure required to deliver UK-wide clean power ambitions. This disparity risks undermining public confidence in the transition and exacerbating inequalities, particularly in the short-term, as increased infrastructure investment pushes up bills. (Conclusion, paragraph 43)**
- 8. *Following the outcome of Ofgem's imminent review of energy system costs, the Government should introduce a standing charge that applies consistently to all regions, which would lead to a fairer system for consumers across Great Britain, including in Scotland.* (Recommendation, paragraph 44)**
- 9. Successive administrations have chronically underinvested in the electricity grid. As a result, grid capacity has not kept pace with the expansion of renewables across the UK system. This causes the perverse outcome of Scottish windfarms being switched off—sometimes more frequently than they are generating—while a fossil fuel power station is fired up elsewhere in the UK. UK energy consumers are currently seeing the costs of curtailments, the expansion of renewables, and grid upgrades added to their energy bills. This does not help to inspire public confidence in the fairness of the energy transition. While we note the UK Government's demand-side measures, it must do more to reduce current levels of curtailment. (Conclusion, paragraph 58)**
- 10. *Grid capacity is one of the biggest barriers to achieving Clean Power by 2030. The Government must prioritise rapidly scaling up capacity, if it hopes to achieve its CP30 commitment. In its response to this report, it should set out how it will deliver the required capacity at the pace and scale required, involving local communities. The Government should also outline how it will capitalise on economic opportunities created by limited grid capacity in Scotland, such as long-duration battery storage, AI data centres and other high-use energy industries.* (Recommendation, paragraph 59)**

The Government partially agrees with these conclusions and recommendations and recognises the Committee's concerns regarding regional variations in electricity costs and the impact of network constraints on consumers and system efficiency.

Electricity distribution charges vary by region, reflecting factors such as geography, network topology, weather conditions and the number of consumers over which costs are spread. Regional differences in distribution charges are not a surcharge; they reflect the underlying costs of transporting electricity in different areas. The Government recognises that some regions face higher network costs. This is why the Hydro Benefit Replacement Scheme (HBRS) - which provides annual assistance to reduce electricity distribution charges for consumers in the North of Scotland and Shetland - was established. The Government's 2025 review of HBRS concluded that the scheme continues to strike the right balance between protecting consumers in the North of Scotland and maintaining the benefits of cost-reflective charging.

Over the longer term, in relation to the Committee's recommendation on standing charges, the Government is committed to working with Ofgem to consider how standing charges can work best for consumers and the future energy system. Following a Call for Input in September 2025, Ofgem are now progressing their Cost Allocation and Recovery Review. The Review is exploring how fixed energy system costs, which tend to be recovered through standing charges, should be allocated and recovered from different consumer groups. Currently, the Review has a very broad scope and is assessing options according to their impact on system efficiency, practicality, fairness, net zero and economic growth. Regional distribution of standing charges is one of the options under consideration in this review. We are working closely with the independent regulator on this as they build the required analytical modelling and engage with key industry stakeholders and consumer groups. This work is ongoing, but we will carefully consider the Committee's recommendation alongside the outcome of Ofgem's review, including the implications for Scottish consumers.

The Government also recognises the Committee's concern that network constraints are increasing costs for consumers and acting as a barrier to the effective deployment of clean energy. Thermal constraints occur when there is not enough network capacity to transport electricity from where it is generated to where it is demanded. They arise from the physical limit to the amount of power which can be transmitted through any piece of equipment, where the limit is set to ensure that the equipment does not overheat or causes a safety issue. Constraints are a natural part of operating an electricity system and constraint payments are used around the world.

However, it is true that the current extent of grid constraints reflects years of underinvestment, with new network infrastructure development having lagged the expansion of new generation. This has resulted in insufficient transmission capacity, exacerbating congestion across the network.

In 2024/25 total wind generators were paid £370 million to turn down, i.e. to generate less power. Conversely, the cost of actions to turn-up gas plants to replace curtailed generation was £910 million, or roughly two-thirds of the total constraint costs in that year. These costs are ultimately passed on to consumers through energy bills.

The Reformed National Pricing Delivery Plan, published in April, sets out an ambitious package of measures to bear down on costs in the next few years, particularly in relation to the network constraints caused by historic under-investment in the electricity grid.

The Government is also delivering a major expansion of the electricity network to support clean power and an expected doubling of electricity demand by 2050. This expanded network will also help to reduce constraint costs by enabling power to flow more efficiently across the system. We are working closely with Ofgem and the National Energy System Operator (NESO) to speed up delivery of new network infrastructure through reforms to planning, support for communities and strategic network design. Given that many of the strategically important transmission projects are located in Scotland, it will also be important for the Scottish Government to match the pace of reforms being delivered in England and Wales, so that consenting processes support timely delivery of the network infrastructure needed for clean power and energy security.

We have recently announced a large-scale trial to give consumers in constrained areas in Scotland and the East of England access to cheaper or free power when there is surplus wind on the grid. The trial will remove the Final Consumption Levies (FCLs) that currently add cost, making it easier for households to benefit. Alongside this trial, we are also exploring measures to support large energy users, including data centres, to locate in areas with excess electricity, reducing constraints and supporting local opportunities for jobs and economic growth.

We are accelerating the rollout of ‘smart grid’ technologies like Dynamic Line Rating (DLR), that will ensure our existing network is used to its fullest potential, saving consumers up to £400m in 2030. We are taking measures to reduce the amount of time networks need to be out of service for essential new build and maintenance.

Building on our reforms to the planning system in the Planning and Infrastructure Act, we will look at ways of further accelerating end-to-end timelines for new critical network projects, including through streamlining

their construction schedules. Alongside these measures, we are also delivering the biggest upgrade in Great Britain's electricity network in decades, which will minimise constraint costs and meet the capacity needed to deliver clean power by 2030.

Furthermore, to address the historic underinvestment in grid, Ofgem has introduced its current transmission price control (ET3) framework, which underpins delivery of network upgrades across Great Britain, including in Scotland. For ET3, Ofgem set upfront investment at £10.3bn, with an overall investment level of £71bn for ET3 period. The funding is provided upfront for strategically important transmission investment, alongside flexible in-period mechanisms that allow investment to scale as system needs evolve. Ofgem has also taken steps to streamline delivery, enabling earlier approval and procurement of critical projects and allowing funding to be brought forward where this supports system requirements. The framework places a strong emphasis on delivery, with financial incentives that reward timely completion of infrastructure and penalties where companies fall behind agreed timelines. This is supported by a robust regulatory regime, in which funding is tightly linked to the delivery of outputs, with in-period checks and adjustment mechanisms to protect consumers and ensure value for money.

As the Committee recognises, electricity storage is an important part of getting the most out of Scotland's energy resources, which we are supporting both through the deployment of grid-scale batteries, many of which are located in Scotland, as well as long-duration electricity storage (LDES). Ofgem published its minded-to decisions on projects it intends to support with a LDES cap and floor scheme in June. 7 of the 16 projects which received a minded-to decision on cap and floor support are located in Scotland, representing a potential 5.1GW of storage capacity. Ofgem expects to make final decisions on the scheme in autumn 2026.

### **Ensuring Fairness of CP30 for Scotland – Conclusions and Recommendations**

- 11. We welcome the Government's commitment to introduce a mandatory community benefits scheme for new generation infrastructure. However, we remain concerned that the pace of implementation is too slow, with any scheme not expected to take effect until the end of 2027 at the earliest. Many developments—particularly across Scotland's Highlands and Islands—will already be built out, leaving affected communities potentially feeling that they have been short-changed.** (Conclusion, paragraph 84)
- 12. Meaningful community benefit extends far beyond financial payments. Housing availability, access to skills training, and the creation of long-term local jobs are equally important. This is especially true in rural and remote Scotland, where the coming of renewable energy provides**

an opportunity to leave a transformative legacy of housing, skills and quality employment for communities which have historically seen limited investment. The Government must seize this opportunity by ensuring mandatory community benefit schemes are sufficiently flexible to reflect the differing needs and priorities of Scotland's diverse communities.

(Conclusion, Paragraph 85)

13. ***This should include a requirement that companies undertaking major infrastructure projects in rural areas construct worker accommodation to a standard suitable for retention as permanent community housing once the project is complete.*** (Recommendation, paragraph 86)
14. While it is important to safeguard the commercial viability of renewable schemes, the Government must ensure that the minimum compensation provided through its mandatory community benefit scheme reflects fair compensation for communities hosting these schemes. The UK Government's proposed £5,000 per MW community benefit contribution is insufficient, and does not meet this test. (Conclusion, paragraph 87)
15. ***In its response to this report, the Government should set out its rationale for its proposed £5,000 per MW benefit contribution, and what insight it has taken from ten years' experience of the Scottish Government's voluntary community benefits guidance, which initially set minimum compensation at the same level.*** (Recommendation, paragraph 88)
16. ***When determining the minimum compensation offered through its mandatory community benefits scheme, the Government should give careful consideration to the Highland Council's position that £12,500 is a fair and proportionate level of compensation; this reflects the Council's first-hand experience of clean energy deployment, as well as the lived experience of communities currently impacted by renewables. A figure in the region of £10,000 to £12,500 would seem appropriate. However, whatever figure is agreed must include a mechanism to maintain value over time.*** (Recommendation, paragraph 89)
17. ***The mandatory community benefits scheme should also provide clear expectations on the delivery of nonfinancial benefits, while ensuring sufficient flexibility to reflect local needs. Given the scale of development currently underway, the scheme should be introduced sooner than the end of 2027.*** (Recommendation, paragraph 90)
18. ***We would encourage the Government to use its existing powers under the Infrastructure Act 2015 to make shared ownership offers by developers of all new renewable energy projects. This would ensure community groups are able to take advantage of the opportunity of an ownership stake.*** (Recommendation, paragraph 91)

The Government partially agrees with these conclusions and recommendations.

The Government has been clear that communities are providing a service to the country when they host clean energy infrastructure, so there needs to be benefit for them. The *Clean Power 2030 Action Plan* committed to ensuring communities directly benefit by building upon existing approaches and encouraging consistency in community benefits across technologies.

The Plan noted that community benefits are already delivered on a voluntary basis in some sectors across Great Britain (such as solar and onshore wind), but this is not consistent across sectors and locations. The *Community benefits and shared ownership for low carbon energy infrastructure working paper* published in May 2025 sought views on the potential introduction of a mandatory community benefits scheme for low carbon energy infrastructure. Responses to the working paper will be published in due course.

If a mandatory scheme came forward it could come into force by the end of 2027 at the earliest. As a novel policy, any mandatory scheme would require new primary legislation to establish powers and secondary legislation to enact, when parliamentary time allows. The Government anticipates a mandatory scheme would not be applied retrospectively to existing projects. By not retrospectively applying the scheme, the Government would seek to minimise the risk to project financing or deployment by imposing new obligations at a late stage of project development.

The Government expects developers to engage constructively with local communities and to agree a comprehensive benefits package on a voluntary basis, in line with existing guidance. For sectors not covered by existing guidance, developers are expected to have regard to established best practice in other sectors when designing an appropriate approach.

The Government agrees with the Committee that community benefits should extend beyond financial payments, encompassing both monetary (in-cash) and non-monetary (in-kind) contributions. In-kind benefits could include direct investment in local infrastructure or donation of equipment but must not result in a lower contribution value than required. Developers providing community benefits should use the funds to provide a legacy that improves the social, economic and environmental wellbeing of the community. This may include supporting efforts to address local housing concerns. Above all, the objective should be the provision of flexible community benefit funds, tailored to local context and preferences, to maximise impact.

In response to the Committee's recommendation, placing explicit requirements, such as workers accommodation, on energy infrastructure developers relating to the impacts and construction of a development would

likely fall under planning requirements. The Scottish Government, not the UK Government, have responsibility for land use and the planning system in Scotland. The Scottish Government determines applications to construct or install electricity infrastructure under the Electricity Act 1989. Any new planning requirements for energy infrastructure developers in Scotland would be for the Scottish Government to consider.

In relation to the Committee's recommendations on benefit contributions, if a mandatory scheme was to come forward a proposed level of benefit would be set out. Determining the level of benefit would be based on responses provided through the working paper, analysis on project economics and evaluation of existing schemes and the experience of the delivery of community benefits in Scotland and wider Great Britain, including the current voluntary system in Scotland. It needs to be recognised that the level of benefit for any mandatory scheme would set a minimum obligation for the entirety of Great Britain and would need to consider project viability and technological deployment, whilst recognising the vital role of host communities.

Ownership matters. The Government recognises the important role shared ownership can play in ensuring communities benefit from hosting renewable energy infrastructure, with much of this recognition attributed to successful shared ownership projects in Scotland, and agrees that community groups should have opportunities to acquire meaningful stakes in projects. We are exploring how best to expand shared ownership. As set out in the [Local Power Plan](#) in February 2026, we are assessing how these powers could be used and plan to consult on detailed proposals in 2026.

### **Community Ownership of Clean Power – Conclusions and Recommendations**

- 19. We welcome the Government's ambition to accelerate community and locally owned clean energy through the Local Power Plan, delivered jointly with Great British Energy. However, it is disappointing that Scotland is disproportionately disadvantaged from benefitting from the Plan by its current Transmission Impact Assessment thresholds, which restrict opportunities for new community energy projects. It is encouraging that the Government recognises the grid-connection issue is acute in Scotland. However, with the transmission grid effectively fully allocated until 2035, the sector is at a near-standstill. This logjam is at odds with the Government's renewed ambition to scale up local and community energy and reflects a disconnect between the Local Power Plan's aspirations and the practical reality in Scotland. We are concerned that Scotland could be effectively excluded from the Plan's full benefits. (Conclusion, paragraph 115)**

- 20. *The Government should set out the concrete steps it is taking to address this imbalance and to ensure Scotland can access the full benefits of the Local Power Plan, including grid connection.*** (Recommendation, paragraph 116)
- 21. Repowering offers a timely opportunity for communities to expand community-owned energy while rebalancing some of the unfair outcomes of the transition. As both the UK and Scottish Governments support the expansion of community energy projects, closer coordination is needed to reduce barriers to decommissioning and repowering. We welcome the Scottish Government’s pilot enabling community groups the opportunity to lease public land to repower wind farms and the Minister’s commitment to consider this idea for use across the UK.** (Conclusion, paragraph 117)
- 22. *The UK Government should learn from the Scottish Government’s evaluation of its pilot, so that lessons can be learned for possible implementation in other parts of the UK. In its response to this report, the UK Government should set out how, through the Local Power Plan, it will remove barriers to repowering community energy projects at the end of their lifetime, including barriers related to retained grid access and planning consents, which are devolved in Scotland.*** (Recommendation, paragraph 118)

The Government agrees with these conclusions and recommendations.

We fully agree that addressing grid connection constraints is essential to unlocking the full potential of these projects. Under the historic “firstcome, firstserved” approach, the connections queue grew to over 700GW, around four times what Britain needs by 2030, and became heavily congested with speculative or unviable projects. This resulted in long delays for viable projects across Great Britain, including in Scotland.

Connections reform is directly addressing these structural issues and is already delivering tangible improvements:

- The size of the queue has been reduced by over 300GW, removing projects that are not progressing or not strategically aligned, and ensuring the pipeline better reflects deliverable projects.
- The system has moved from “firstcome, firstserved” to a “first ready and needed” approach, prioritising projects which are ready and needed.
- A clearer and more credible pipeline is now in place, with queue outcomes showing that most technologies have sufficient projects in the prioritised queue to meet Clean Power 2030 ranges.

In response to the Committee's recommendation, taken together, these changes are designed to unblock the very "logjam" the Committee identifies, ensuring that projects which are ready are not held back by speculative capacity in the queue.

Queue outcomes are not discretionary decisions but reflect the application of agreed, industry-developed methodologies to the information submitted by developers, and the capacities set out in the Clean Power 2030 Action Plan. Projects that are not initially prioritised remain within the connections process. They can reapply in subsequent windows and may benefit from capacity released as reforms take effect. Even where projects fall outside immediate capacity ranges, viable schemes may still connect earlier where capacity becomes available.

The purpose of the reform is therefore not to limit deployment, but to ensure that available network capacity is allocated efficiently to deliver Clean Power 2030 and Net Zero.

On the disparity in Transmission Impact Assessment thresholds between Scotland and the rest of GB: the transmission voltage level is lower in Scotland (132kV and above) than England & Wales (above 132kV). Grid Supply Points (GSPs - where distribution meets transmission) are therefore commensurately smaller, and the local demand served by these GSPs in Scotland is typically lower. This is particularly the case for Scottish islands with typically lower demand and fewer/lower capacity links to the main network.

Government is engaging with Ofgem, the Scottish Transmission Operators, and Scottish Government to ensure that the TIA thresholds in Scotland are set at the appropriate level and are transparent. This includes discussing how best to ensure they are regularly and thoroughly reviewed. We are also discussing with Scottish DNOs how community energy can be best supported through the grid connection process, including the TIA process.

Connections reform is also a key part of the solution:

- By removing nonprogressing and speculative projects, reform frees up capacity that can be accessed in future application windows, including by community schemes.
- The move to a planned, strategic approach provides greater visibility over future capacity and clearer routes to connection, which is essential for smaller developers.
- Government is working closely with NESO, Ofgem and network companies to ensure connection dates are ambitious, credible and avoid unnecessarily long timelines, with strengthened assurance and governance to support delivery.

As we progress our Local Power Plan commitments, we will continue to work closely with the Scottish Government to share lessons learned from relevant schemes, including the Forestry and Land Scotland pilot.

We will also share lessons learned around building renewable energy projects on public land through the new cross-government Taskforce to Accelerate Renewable Energy Projects on the Public Estate, chaired by the Cabinet Office, that is bringing together UK Government landholding departments, public bodies, Devolved Governments and Great British Energy, to identify opportunities and address barriers to renewables deployment on the public estate.

We are currently developing detailed proposals on how a mandatory shared ownership offer would work, as mentioned in our response to conclusions and recommendations 11–18 above. We are considering whether repowering projects should be included in these proposals and will provide further details later this year.

As noted by the Committee, many of the policies related to repowering, such as planning, are devolved to the Scottish Government. However, we have taken action that will support Scottish repowering projects more broadly. For example, we announced changes to enable repowered onshore wind projects that meet eligibility criteria to bid into the Contracts for Difference Scheme (CfD) from Allocation Round 7 onwards. In addition, NESO have also announced they will provide a degree of prioritisation to repowering projects within the Gate 2 process, reflecting that these sites may be able to make better use of existing local network infrastructure. We are also taking measures to support repowering projects going through the planning system, such as giving significant weight to the benefits of utilising existing sites and providing updated guidance for developers and decision makers. While these planning measures are relevant for England, we would be happy to work with the Scottish Government on lessons learned and sharing best practice.