

POLICY NOTE

THE FINANCIAL ASSISTANCE FOR ENVIRONMENTAL PURPOSES (SCOTLAND) ORDER 2020

SSI 2020/409

The above instrument was made in exercise of the powers conferred by section 153(4) of the Environmental Protection Act 1990. The instrument is subject to negative procedure.

Purpose of instrument.

This instrument will enable Scottish Ministers to provide financial assistance for the purposes of delivering an Industrial Energy Transformation Fund in Scotland.

Policy Objectives

The purpose of this Order is to add the Scottish Industrial Transformation Fund (SIETF) to the list of organisations, schemes, or programmes listed in section 153(1) of the Environmental Protection Act 1990. This will enable Scottish Ministers to provide financial assistance to, or for the purpose of the SIETF.

The Scottish Industrial Energy Transformation Fund will support Scottish businesses with high energy use to reduce energy costs and carbon emissions. The SIETF will support manufacturing industries to deploy mature energy efficiency technologies, deploy technologies to decarbonise industrial processes, and support feasibility or engineering design studies.

The SIETF will support the contribution of industries to meet the ambitions within Scotland's 2018 Climate Change Plan to achieve a low carbon economy while helping to deliver sustainable economic growth and secure the wider benefits of a greener, fairer and healthier Scotland by 2032.

Consultation

This design of the fund was consulted on across the United Kingdom in a consultation called 'The Industrial Energy Transformation Fund: Supporting industry on the path to net zero'. This ran from 10 October 2019 to 21 November 2019 and included Scottish representation. A report containing a summary of responses is published by the Department of Business, Energy and Industrial Strategy - <https://www.gov.uk/government/collections/industrial-energy-transformation-fund>.

Impact Assessments

Following an assessment of a variety of policy options, UK Ministers identified the Industrial Energy Transformation Fund as the preferred option to achieve the objectives. The SIETF will be operated separately in Scotland by Scottish Ministers.

A specific business or regulatory impact assessment is not being undertaken in Scotland. The IETF was consulted upon at UK level and variations for the Scottish scheme are of a limited nature. Furthermore, SIETF is an opt-in scheme that operates through invitations for businesses to participate.

There are no other significant impacts on issues related to child rights and wellbeing, equalities or data protection.

Financial Effects

The powers do not confer any foreseeable adverse impact on the finances of business, charities or voluntary bodies.

Scottish Government
Energy and Climate Change Directorate

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