

Scotland: Energy

- As part of the UK, the costs of energy are cheaper for Scottish businesses and consumers, who benefit from being part of the single GB energy market.
- The UK has the broad shoulders to spread the risk and maximise the benefits from North Sea oil and gas, which is a valuable resource but one that everyone agrees is declining.
- Being part of the UK allows Scotland to maximise its potential in renewables, while ensuring the costs are spread across a UK-wide consumer base.

The strength and scale of the UK is essential to the Scottish energy industry as it provides unrestricted access to a single market with millions of customers

- **The UK is fundamental to the success of Scotland's energy industry.** The size of the UK economy, the integrated market, its regulatory regimes, and the scale of support provided to the oil and gas and low carbon sectors creates the conditions for business to invest in the energy industry right across the UK.
- **In the event of independence, the integrated GB energy market could not continue in its current form.** An international boundary would be created with potentially divergent fiscal and regulatory regimes. Additionally, both governments would need to take decisions in their own interests and that of their consumers.
- When purchasing from an independent Scotland, **the continuing-UK is unlikely to make additional financial contributions over and above the market prices for the energy in question.**

As part of the UK, Scotland is one of the world's energy hubs with oil and gas in the North sea and a thriving renewable energy industry

- The UK is one of the most attractive destinations in the world for renewable energy investment, which is underpinned by the UK Government's financial support. **Scotland received 28% of total funding for the renewables sector, despite only accounting for around 10% of electricity sales.** The Scottish Government target for Scottish electricity consumption to derive from 100% renewable sources by 2020 is more likely to be achieved as part of the UK.
- **The UK will not need to establish a single energy market with an independent Scotland to meet its EU renewables targets.** The continuing UK could invest further in renewable sources within its own borders, import from other countries, or receive credits by supporting renewables projects elsewhere in the EU.
- **The UK continental shelf is one of the UK's success stories, directly employing 450,000 people with an estimated half of these jobs in Scotland.** The industry benefits from being part of a larger economy supporting the continued exploitation of oil and gas reserves. The UK's diverse tax base shields the economy from volatile tax receipts. **An independent Scottish state would have to invest around £3,800 per head to match the £20 billion the UK Government has committed towards decommissioning in the North Sea.**

As part of the UK, the cost of energy will be lower for Scottish consumers and businesses who benefit from sharing the costs of network investment, low carbon incentives and protection for rural communities

- **Scotland benefits from considerable support spread across all GB consumers.** This includes up to £6 billion (2013-21) for electricity transmission projects which is almost 30% of the total GB upgrades. Being part of a larger market also provides opportunities for greater competition, which helps place downward pressure on energy prices.
- An independent Scotland would lose the benefits of the single GB market and would see **household bills rise between £38 - £189 per year by 2020. Medium size manufacturers would see their bills increase by £110,000 - £608,000 per year by the same year.** This could rise even further depending on Scotland's share of historic energy liabilities and how these are paid for.