

ISLAY ENERGY TRUST



- Established in 2004, IET is a registered charity with 350 members, with the aim to develop renewable energy and carbon savings projects, ***for the benefit of the communities of Islay, Jura and Colonsay***
- We have worked in almost all fields of renewables, including the development of a community-owned wind turbine
- We raised over £0.5m from local shareholders towards a £1.3m project
- Surplus income from the turbine has created our Community Benefit Fund, which has so far distributed £140k to 80 local projects (which will be at least £2m over the life of the project)
- We are in regular contact with a wide range of consultants and developers

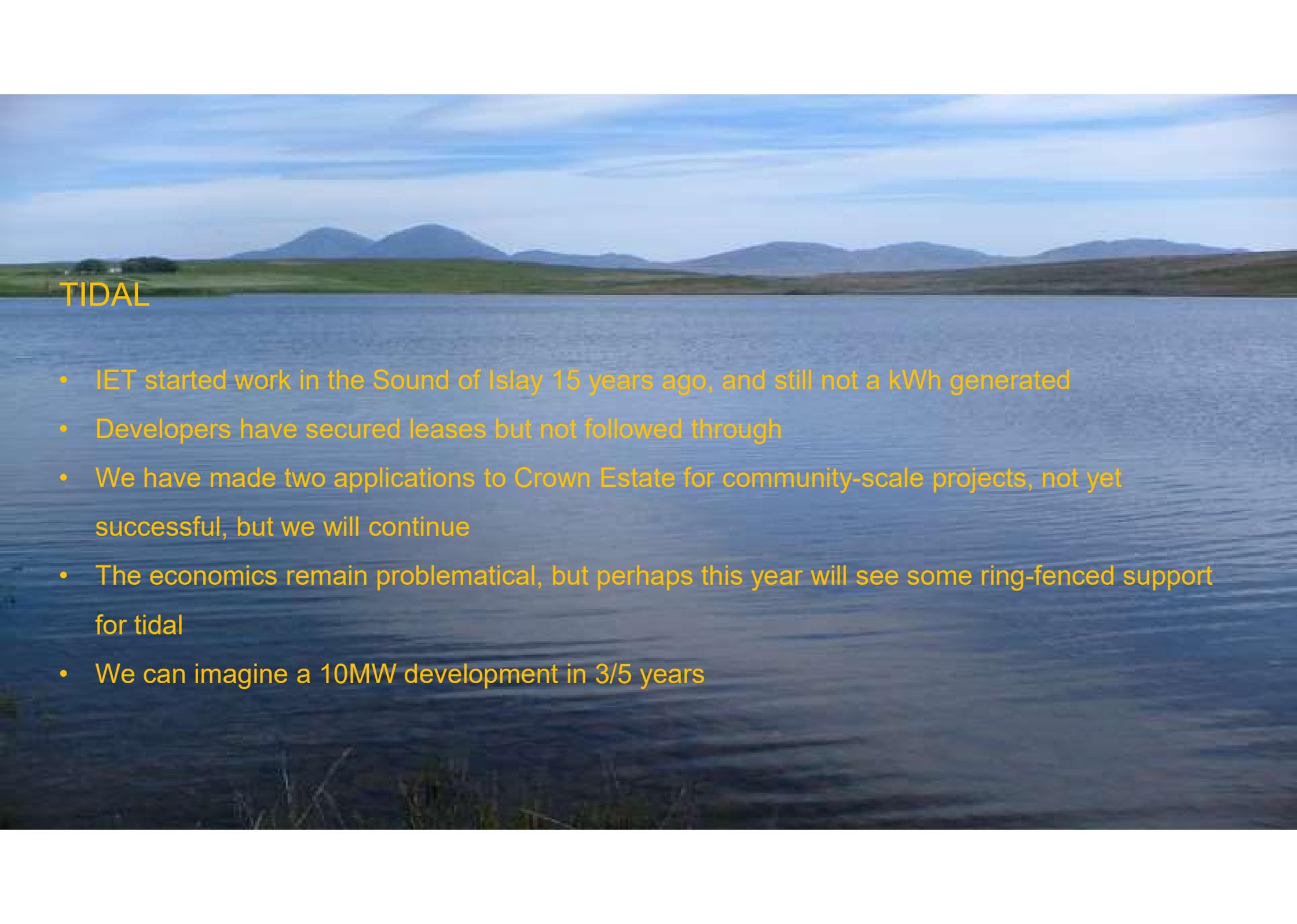
WHY IS ENERGY IMPORTANT FOR US?

- Estimated current energy demand is 250GWh p.a. of which 10% is electricity, 85% fuel oils (all imported)
- Over 90% of the electricity is imported via sub-sea cables (when one fails, we rely on 6MW of diesel generation in Bowmore)
- The balance is wood fuel (mostly local), coal (imported), and peat (local)
- Our principal industry (distilling) is highly energy intensive, and is expanding
- The cost of imported energy is in the region of £13m p.a.
- Local renewables on Islay are limited (about 1MW capacity, wind, solar, small hydro), plus a 2MW hydro scheme on Jura
- And we are surrounded by tidal and wind energy resources!



WHAT SHOULD WE DO?

- There is no easy or short-term solution to decarbonisation, and a major effort is required to engage the community and gain its support
- We want to establish a long-term vision with our community and work out the steps to get there
- Energy efficiency and insulation schemes should be a constant focus
- Electricity will be the major part of the solution, allied to storage (various approaches available to be considered)
- Our principal options for local generation are tidal and offshore wind (both of which can avoid massive grid reinforcement)



TIDAL

- IET started work in the Sound of Islay 15 years ago, and still not a kWh generated
- Developers have secured leases but not followed through
- We have made two applications to Crown Estate for community-scale projects, not yet successful, but we will continue
- The economics remain problematical, but perhaps this year will see some ring-fenced support for tidal
- We can imagine a 10MW development in 3/5 years

OFFSHORE WIND

- Several prospective developers of site W1 have asked for our input
- Our answer is that they must land a proportion of the generation on Islay (up to 10%, say 50/80MW)
- There is progress towards localisation of electricity, opening the prospects of local grids
- We will plan for a new locally-owned grid and electricity supply company, allied to battery storage and hydrogen production
- We will aim to provide direct supply to major users, and collaborate with the DNO
- This project is perhaps 7 years away, but planning can start as soon as a developer is awarded W1



TRANSPORT

- We have just under 2000 vehicles on the island, with only a handful of EV's
- Until we have a reliable supply of renewable electricity, there is little justification for promoting EV's as a means to decarbonise (one day of diesel generation at Bowmore = 40/50 cars worth of fuel per annum)
- Heavy transport and agricultural equipment unlikely to use batteries. Hydrogen fuel cells in 2035?
- If the A-B-E process of Celtic Renewables proves economic, we could have a biobutanol plant here, and provide a diesel substitute (using some of the distillery draff and pot-ale)
- We do not know how the new Calmac ferry will be powered. An electric or hydrogen ferry for the Jura/Islay route should be possible



THE FUTURE LOCAL ECONOMY

- The Gross Value Added (GVA) of the Islay economy is around £90m pa
- Distilling plus its associated transport and tourism is about 50% and growing as a proportion.
- This has some inherent vulnerability, so we need to diversify
- A local energy company will eliminate imports, generate new GVA, and if locally-owned will provide community benefit
- However, we desperately need to bring our infrastructure up to scratch (affordable housing, road quality, connectivity, transport links, grid reliability, need I go on)



WHAT SUPPORT DO WE WANT?

- The Scottish Government's Local Energy Policy is highly commendable. It starts with "People" and "Places", and so will we! This means local development staff to explain, advise, support the community and businesses
- Argyll & Bute Council have published a decarbonisation plan, and have a Rural Growth Deal project for Islay. Let's together use the opportunity to create the infrastructure to deliver our energy vision
- All distilleries both need and want to decarbonise. Timings will vary and our vision must accommodate that. We ask them to commit to supporting the community plans
- Households will need tailored advice. There are several Government schemes which are largely centralised. Let's localise these, and incorporate support for measures targeted on local needs
- Let's make our islands an exemplar for the delivery of a model locally-led energy system

