

Joint Meeting of the Cross-Party Group on the Circular Economy and the Cross Party Group on Renewable Energy and Energy Efficiency

27th March 2024 – 6pm

Location: The Scottish Parliament and online via Microsoft Teams

Present

MSPs

- Maurice Golden MSP
- Sarah Boyack MSP
- Monica Lennon MSP
- Mark Ruskell MSP
- Audrey Nicol MSP
- Brian Whittle MSP

Invited Guests

- Morag Watson – Scottish Renewables
- James Barry – Renewable Parts
- Ailsa Nicol - Orsted

Non-MSP Group Members and Guests

- Stephen Freeland – Scottish Environmental Services Association
- Paul Smith – Office of Maurice Golden MSP
- Jack Norquoy – Scottish Renewables
- Mark Cummings – Invicta Public Affairs
- Iona Yule – Invicta Public Affairs
- Ifeyinwa Kanu – IntelliDigest
- Melanie Pope – Fashion Roundtable
- Catherine Wales – Invicta Public Affairs
- Charlotte Cochrane – Simply Blue
- Phoebe Cochrane – ScotLINK

- Catherine Gemmell – Marine Conservation Society UK
- Ed Heather-Hayes – Fife Coast and Countryside Trust
- Kim Pratt – Friend of the Earth Scotland
- John Ferguson – Binn Group
- Jonquil Hackenberg - Eunomia
- Matthew Crighton – Friends of the Earth Scotland
- Jeremy Grant – Edinburgh Editorial
- Euan Ingram – Ofgem
- Ross McArthur – WKN
- Elaine Waterson – Energy Saving Trust
- Norman McLennan – Caledonia UK Ltd
- Kairvee Tyagi
- Zaki Hasan
- Max Munch
- Dr Fiona Riddoch
- Richard Raggett
- Colin Pritchard
- Sarah McIntosh – Muirhall Energy
- Ashley McLean - Nesta

Apologies

- Bruce Reekie - WRAP
- Kaley Cochran – Office of Brian Whittle MSP
- Maggie Chapman MSP
- Douglas Lumsden MSP
- Catherine Gunby - Fidra
- Alex Morrison – Keep Scotland Beautiful

Agenda Item 1: Welcome

- Brian Whittle MSP opened the meeting and welcomed attendees to the joint meeting.
- Apologies and the minutes of the previous meetings for the Circular Economy CPG were proposed and seconded by Maurice Golden MSP and Phoebe Cochrane.

Agenda Item 2: Presentation One – Salamander Floating Offshore Wind Project – Ailsa Nicol (Orsted)

- Discussing circularity in Orsted, which is the biggest developer of offshore wind assets in the world. Across the UK they employ 1,400 people and in

Scotland they operate both an onshore wind project in the south as well as two early-stage offshore projects: one small and one large.

- With Orsted operating many projects, they are thinking about circularity of assets coming to the end of their life and how to extend that and how to incorporate circular economic principles in new projects, including involving local supply chains.
- Across their supply chain, Orsted has committed to a target of net zero by 2040. They have also committed to sending zero turbine blades and solar panels to landfill.
- There is a need for more green energy and that has to be built in a sustainable manner. Circularity is the enabler to meet the associated targets. Alongside which there is greater scrutiny from investors, shareholders and the public but also governments who are releasing seabed and land based licenses.
- There is a need to think carefully about how available resources are used, and especially so in the context of supply bottlenecks.
- There are hotspots to note that are specific to wind, such as 80% of produced emissions coming from the pre-operating stage. There is also the important link to biodiversity to consider, such as the impact from aluminium and copper mining and processing. It is also the case that some parts involved are stubborn and hard to recycle and there is a need to consider supply chain risks, such as with regards to rare metals.
- Recycling receives a lot of attention, but it is not the preferred option with Orsted working to adopt measures higher up the waste hierarchy. Orsted would rather rethink designs and reuse resources where possible.
- There are three pillars of circularity in Orsted. The first is design with a view to reducing the use of virgin materials in new assets and they are looking at how to optimize the circularity of those components. The second is optimisation, such as local remanufacturing services and incentives for partner companies. Resource recovery is the third pillar and there are questions over what technologies are available to recycle.
- The big developers can make large commercial agreements with suppliers. For example, Orsted has an agreement in place committing to purchases with recycled/recyclable content. Another practical example from Scotland is Orsted's partnership with Renewable Parts (also presenting this evening).
- Even though the big developers can take important action there is also a role for others to come together and offer solutions to the challenges within the space.

Agenda Item 3: Presentation Two – Renewables Parts – James Barry (Chief Executive)

- Translating circular economy theory into practice is what Renewable Parts is about.
- They operate two centres in Scotland: an operations centre based in Glasgow, which integrates parts and shipping and a technology development centre in Lochilhead. Overall, 85% of their business is UK based.
- Renewable Parts has already developed reuse technology for a number of components and is starting a journey looking at others.
- The drive to net zero has changed everything and made the decarbonization of supply chains a necessity. Aerospace is a good example given there is a lot of remanufacturing present, which shows that it can be done.
- It is now possible to remanufacture many components, and it's important to note that components that habitually fail and require replacement will often need replacing multiple times. Even though such elements may be small they are still important. Looking at wind turbines, there are thousands of parts that need to be reused.
- There are three key factors to consider: technology, skills and infrastructure. There is already a great deal of technology available but there is a need for more skills, particularly remanufacturing skills, and there is then a need for infrastructure to apply the technology and skills to the assets.
- The benefits produced in terms of availability, cost reductions and carbon savings are all significant. These need to be visualized and sold; the next generation must be brought along and thus there is a need to create an inspiring vision.

Agenda Item 4: Presentation Three – Coalition for Wind Industry Circularity – Morag Watson (Scottish Renewables)

- Scottish Renewables is the trade body for the renewables industry with more than three hundred members. Onshore wind is predominant at present but with movement now to offshore wind.
- The Coalition for Wind Industry Circularity (CWIC) was founded by SSE, Renewable Parts and others and now has around forty members. Scotland is leading the way on this, such as through Renewable Parts world leading approach.
- The focus is on collaborative working across different sectors, such as industry, academia and government.
- CWIC has a range of objectives covering different timescales, such as goals for starting remanufacturing of parts, end of life consideration and a circularity sector deal to consolidate the Scottish and UK positions.
- CWIC has a number of strengths, such as their planning strategy, all wind farms having a decommissioning bond and shifting the balance in the carbon calculator.

- Identified weaknesses include the business case not being seen by businesses, a lack of business activity and infrastructure and supply chain security slipping down the agenda. However, governments are looking at green industrial strategies.
- Focus points include a requirement for remanufacturing warranties to be recognized, SEPA's waste regulations to be updated and alignment with the EU on critical minerals.
- There is great opportunity ahead with analysis showing the potential for significant levels of jobs and a £10 billion supply chain.

Agenda Item 4: Discussion

- Brian Whittle MSP opened the meeting up to general discussion.
- Mark Ruskell MSP thanked the speakers for their presentations and referenced Morag's comment about some within industry not being persuaded by the business case. He asked if this was a serious barrier and what the barriers were to the trading of parts and recycling.
- Morag Watson noted there were three key things procurement managers looked at when seeking parts: getting them fast enough, cost effectively and confidence in quality. These three things are in balance and it's difficult in the business case at present, and especially around the issue of quality and warranties. On trade, there is the issue of a carbon border adjustment with concern that there are different regimes in the UK and the EU, and if what happens in the UK has a higher carbon impact it would impact the ability to trade back and forth. This is a developing area.
- James Barry noted the battle of perception between new and used parts with new being seen as better; something that still needs to be addressed.
- Audrey Nicol MSP asked if circular thinking would be applied to cables.
- Morag Watson noted many oil and gas supply chain companies are offering to help with aspects of this, and the expectation is for cables to be recycled and/or reused given the valuable materials involved.
- John Ferguson asked about acceleration of action and what was happening in terms of cross-sector learning with remanufacturing ubiquitous in other areas, such as oil and gas.
- Morag Watson pointed out that many of the partner companies were international in scope, such as the five main global manufacturing companies.
- James Barry addressed the point about acceleration and noted there was an opportunity to scale up but there was a need to focus and prioritise. In terms of cross-sector learning there was a need to resist reinventing the wheel given lots of skills exist in the likes of aerospace, automotive and oil and gas.
- Maurice Golden noted that, in terms of oil and gas, design was a barrier to greater circularity. As such, he asked to what extent there was a requirement

to design for circularity. He also noted that, in terms of barriers to offshore wind deployment, we were starting to see projects moving through consenting but there was a concern over whether there was the resource present to handle the number of projects.

- Morag Watson said the onshore wind sector deal published a pipeline and that the key barrier was getting planning consent. The main sticking point was local authorities being under resourced and having to extend timelines. She went on to say there was a big review of energy markets ongoing, including how the grid was to be paid for. In terms of barriers to circularity, Morag discussed data and the understanding of products. OEM weren't providing information and must be persuaded to do so. In the absence of this information there was a need for good engineers. She pointed to the example of aerospace where, before a new product is released, it includes remanufacturing support and information.
- Brian Whittle asked about a presumption in favour for planning purposes.
- Morag Watson noted there was already a plan and the Crown Estate identified areas.
- Sarah Boyack noted the need to redesign planning courses and explained that renewables hadn't featured in her own training. She said there was a need for significant training in the public sector.
- Morag Watson agreed with the point made and said there was a need for more planners and that industry was willing to contribute to help achieve this. She also noted the work on EIAs, which she said had ballooned into serious burdens and that there was a requirement for standardization and slimming down.
- Phoebe Cochrane asked about the top policy asks in order to increase circularity in the sector.
- Morag Watson said circularity should be built into all policy and that circularity has to be made a priority. She mentioned how the likes of city investment deals, etc. can provide business tax relief. She further noted how circularity had been embedded in the onshore sector deal.
- Jack Norquoy asked about incentivization measures, such as those seen in the U.S.
- James Barry said he would like to see this and there was a need to set out something similar with a longer-term view of the investment required. He noted that an endemic problem in the UK, which features a predominantly service economy, was a focus on shorter pay back. He expressed the view that if we don't do things differently, we would be overtaken and further stated the supply chain hadn't disappeared and that remanufacturing was now coming back in.
- Brian Whittle MSP thanked those attending and drew the meeting to a close.