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Report To:	Policy & Resources Committee	Date:	19 May 2015
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	LP/081/15
Contact Officer:	Rona McGhee	Contact No:	01475 712113
Subject:	Proposed Closure of Longannet Power Station – Motion by Councillor McCabe		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Council to consider a motion by Councillor McCabe countersigned by Councillor Clocherty, which has been submitted in accordance with Standing Order 22. A copy of the motion is attached as **appendix 1**.

## 2.0 SUMMARY

- 2.1 The motion proposes that the Committee consider the impact on the Scottish economy of the proposed early closure of Longannet Power Station and agree to make appropriate representations to Scottish Power and the Scottish and UK Governments.

## 3.0 RECOMMENDATION

- 3.1 The Committee is asked to consider the motion by Councillor McCabe.

Rona McGhee  
Legal & Property Services

## 4.0 BACKGROUND

4.1 The background is as set out in the attached motion by Councillor McCabe (**appendix 1**).

## 5.0 IMPLICATIONS

### Finance

5.1 There are no financial implications arising from this report.

#### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

#### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

### Legal

5.2 There are no legal implications arising from this report.

### Human Resources

5.3 There are no HR implications arising from this report.

### Equalities

5.4 There are no equalities implications arising from this report.

### Repopulation

5.5 There are no repopulation implications arising from this report.

## 6.0 CONSULTATIONS

6.1 None required.

## 7.0 LIST OF BACKGROUND PAPERS

7.1 None.

## APPENDIX 1

**Councillor Stephen McCabe**  
**Ward 1 – Inverclyde East**  
Municipal Buildings  
Greenock  
PA15 1LX

**Inverclyde**  
council

**Leader of the Council**

Mr. G Malone  
Head of Legal & Property Services

Direct Line: 01475 712727  
Fax: 01475 712976  
Email: [stephen.mccabe@inverclyde.gov.uk](mailto:stephen.mccabe@inverclyde.gov.uk)  
Our Ref: SMcC/sc  
Your Ref:  
Date: 30 April 2015

Dear Mr. Malone

### **Proposed Closure of Longannet Power Station**

I shall be grateful if you would arrange for the following motion to be consideration by the Policy & Resources Committee at its meeting on Tuesday 19 May 2015:

“That the Committee consider the impact on the Scottish economy of the proposed early closure of Longannet Power Station in Fife by Scottish Power and agree that appropriate representations should be made to Scottish Power and the Scottish and UK Governments in relation to this matter.”

Yours sincerely

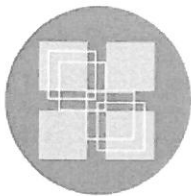
Stephen McCabe  
Leader of the Council

Jim Clocherty  
Depute Leader of the Council



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## Industrial Communities **Alliance** Scotland

The all-party association campaigning on behalf of local authorities  
in the industrial areas of England, Scotland and Wales

Scotland Director: *David Hewet, 26 Oakbank Drive, Cumnock, Ayrshire KA18 1BD*  
Tel: 01290 423560 Email: [hewet99@aol.com](mailto:hewet99@aol.com)

Fergus Ewing MSP  
Minister for Business, Energy and Tourism  
St Andrew's House  
Regent Road  
Edinburgh EH1 3DG

20 April 2015

Dear Minister,

### **Longannet Power Station**

I am writing to express our deep concern about the proposed closure of Longannet power station, and to call on the Scottish Government to make every effort to retain this key asset for the Scottish and UK economies.

ICA Scotland represents some fifteen local authorities covering Scotland's industrial areas and, as you are aware, works closely with the Cross-Party Group of MSPs on Industrial Communities. Over the years, we have taken a particularly close interest in Scotland's energy sector.

We are naturally concerned by the possible loss of 270 jobs at the power station, and fully aware that the inclusion of job losses among contractors would increase this figure substantially. The distress and hardship the closure would cause among employees and the local community is immense.

But we are at least as concerned by the knock-on consequences for the rest of industrial Scotland. In particular, the closure of Longannet would lead to a significant reduction in the market for Scottish opencast coal.

As you know only too well, the Scottish opencast industry has just gone through a major crisis following the insolvency of the main operators. Thanks in part to the efforts of the Scottish Government, particularly through the work of the Scottish Opencast Mining Taskforce which you chair, there has been progress on ensuring further coaling and, crucially, restoration on many sites. We are also aware of the 'restoration coal tax exemption' proposal put forward by the industry, which would have a positive impact in Scotland. We acknowledge that prompt and decisive action is required from the Westminster Government regarding this proposal, but on all counts the closure of Longannet would deliver a severe blow moving forward.

A consequence of Longannet's closure would therefore be substantial jobs losses elsewhere across Scotland and a number of major opencast coal sites would probably be left unrestored, creating no doubt a long-term liability for the public purse.

We therefore welcome your statement to the Scottish Parliament on 25 March that "the Scottish Government are determined to continue to explore any options that may avert the premature closure of Longannet".

We share your concern that the high transmission charges imposed on power from Longannet are a major problem. Indeed, the charges are a significant obstacle to the continuing large-scale export of power from Scotland to the rest of the UK, which should be a key policy aspiration given Scotland's abundance of power sources. Additionally, Longannet has only recently commissioned FGD on three of its four units, easing the environmental impact.

However, in our view the strongest argument for the retention of Longannet lies in the overall shortfall of UK generating capacity. At present, and looking ahead over the next few years, the UK electricity industry is operating with an extraordinarily small margin of spare capacity, verging on the irresponsible bearing in mind the inherent day-to-day unreliability of supplies from renewables. This winter the margin has been just 4.1 per cent, compared to 17 per cent only three years ago.

Longannet is an exceptionally large power station – at 2.3GW it is the second largest in the UK – and we note that in the National Grid's most recent *Ten Year Statement* it has been included as an available source of power right through until 2035. Indeed, Longannet's generating capacity alone is more or less equal to the current spare capacity on the entire UK electricity grid.

Once a new UK government is in place, there should therefore be ample scope for arguing for Longannet's retention. This would be seen as good for the UK as a whole, because it would secure electricity supplies, and good for Scotland in particular.

I would therefore like to propose that we collaborate with you and the Scottish Government in bringing pressure to bear to deliver a future for Longannet. As part of the wider UK Industrial Communities Alliance, ICA Scotland has extensive and potentially helpful contacts in Westminster and Whitehall.

To help build momentum, I hope you will understand that we intend to circulate copies of this letter widely, including to relevant MSPs and local authorities.

I look forward to hearing from you.

Yours sincerely,

Cllr William Menzies  
Chair, ICA Scotland