



08 November 2022

Dear Mr. Arthur and Ms. Forbes,

We are representatives of Scottish businesses and industry who are deeply concerned about rising energy bills.

Rising energy costs are affecting everyone in Britain and are only forecast to get worse this winter. Businesses are still exposed to far higher bills than in recent years; the recent Scottish Business Monitor report from Fraser of Allander found that 91% of respondent businesses were concerned about energy costs. 40% of Scottish businesses expect to reduce their operations this year due to high energy costs, while only 5% of Scottish businesses are expecting strong growth over the next year.¹ This is unsurprising, given that firms around the UK could see their bills increase by 500% in 2022.²

We are calling on the Scottish Government to empower Scottish businesses to lower their energy costs and decarbonise their businesses by installing onsite solar energy generation.

Solar energy is the most affordable source of energy, creates green jobs, and contributes to Scotland's legally binding decarbonisation targets. However, Scottish businesses are at present unable to deploy solar energy at the necessary speed. The Scottish Government can address this by making two key policy changes:

1. The Scottish Government should immediately extend permitted development rights to all commercial rooftop solar projects up to 5MW. We are pleased that the Scottish Government has moved forward the planned review of PDR for rooftop solar to phase 3, but due to the urgency of the cost of living and climate crises, this issue requires immediate action.³ The potential for rapid expansion in Scotland is severely constrained by the current regulation, which only extends PDR to projects up to 50kW in size (approximately 250sqm – compared to 5,000sqm in England). This limit artificially constrains the potential for commercial rooftop solar. The space of a roof will automatically constrain the maximum size of a solar power project, which in any case will be subject to all other relevant planning requirements.
2. Solar energy should qualify for non-domestic rates relief on at least a twelve-year rolling exemption. Business owners who install solar should not pay a premium for decarbonising their business. The Scottish Government risks its own ambitious climate mitigation goals by effectively penalising Scottish businesses who wish to install affordable, reliable, and renewable onsite energy. This policy lags the more progressive position taken by the Westminster government on non-domestic rates in England.

Solar energy is affordable, can be deployed rapidly, improves our energy security, and reduces carbon emissions. The Scottish Government must act with urgency to make the above policy changes and offer Scottish industry and businesses relief from rapidly increasing energy costs.

Respectfully,

¹ [Fraser of Allander, 2022. Scottish Business Monitor Report Q2](#)

² <https://www.cornwall-insight.com/press/businesses-could-see-energy-bills-increase-fivefold-in-october/>

³ <https://www.gov.scot/publications/chief-planner-letter-stakeholder-update-october-2022/>



Thomas McMillan, Chair, Solar Energy Scotland



Archie Gibson, Executive Director, Agrico



Ally Thompson, Owner, A Thompson JNR



Lawrie Wotherspoon, Business Development Manager, Black Isle Brewery



Bob Dakers, Head of Facilities, Browns Food Group



Bill Dean, Managing Director, Deans of Huntly



Rob Parfitt, Property, Health & Safety Manager, Dingbro





Chris Clarke, Managing Director, Emtec



Stacey Dingwall, Head of Policy, Federation of Small Businesses



Ian Mailer, Divisional Manager, FES



David Penny, Finance Director, First Integrated



Ally Thompson, Partner, Fraserburgh Freezing and Cold Storage



Simon Williams, Partner, Gillespie MacAndrew



George Baxter, Director of Development, Green Power





Keir Hamilton, Director, Hamilton Waste



Ross Baxter, Chief Financial Officer, The Harbro Group Ltd



Annette Welch, Commercial Director, Here's the Plan



Yvonne Crook, Chair, Highland Tourism Community Interest Company



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Alan Freeland, Finance Director, MacLean International





Andrew Montgomery, Managing Director, MBM Print



Jonathan Knox, Director, Metaflake



Scott Walker, Chief Executive, NFU Scotland



Peter Bruce, Owner and Managing Director, PBP Services (Scotland) Ltd



John Cape, Managing Director, Power Circle Ltd.



Brian Frame, Managing Director, Rautomead



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