

SWA BULLETIN



30 McDonald Place, Edinburgh EH7 4NH

Tel: 0131 556 8753

Email: colin@scottishwholesale.co.uk

info@scottishwholesale.co.uk

Web: www.scottishwholesale.co.uk

DECARBONISATION SPECIAL | FEBRUARY 2021



DECARBONISATION OF THE WHOLESALE INDUSTRY PROJECT

CREATING A GREEN AND MORE SUSTAINABLE FOOD SUPPLY CHAIN

THE SCOTTISH WHOLESALE ASSOCIATION (SWA) supports the Scottish Government's ambition for Scotland to be carbon net-zero by 2045.¹

As part of our work to help our members, and sector, become greener and more sustainable, SWA is undertaking a project to help map a plan of how we can collectively decarbonise the wholesale food supply chain and achieve net-zero by 2045...or earlier.

The first phase of this project is looking at our distribution fleets, with a particular focus on Hydrogen Fuel Cell (HFC) and Electric Vehicle (EV) technologies. The environmental impact of our members' cold storage facilities will also be researched ready for Phase 2, which will look at our energy and buildings.



*Colin Smith, chief executive,
Scottish Wholesale Association*

SCOTLAND'S FIRST 'COMMERCIAL TESTBED'

THERE ARE various decarbonisation projects in place in Scotland, but the Scottish Wholesale Association – through our Decarbonisation Of The Wholesale Industry Project – has the opportunity to be the first organisation in the UK to investigate and implement the private commercial use of HFC technology and/or EV technology at a sector-wide level. The Scottish wholesale industry could therefore become Scotland's first 'commercial testbed', particularly for HFC.

Carrying out this project on an industry scale will generate bigger benefits to our members than if they do it alone – not only in time and cost savings, as we are conducting the research on their behalf, but also in hopefully being able to attract funding.

For example, SWA will be pushing for our members to get access to some of the £109 million Scottish Government funding set aside for business investment in this technology. In addition, the new Scottish National Investment Bank has been tasked with offering preferential investment into companies looking to use greener technology.



The Scottish wholesale industry could become Scotland's first 'commercial testbed' for the use of HFC technology in distribution fleets.

GRADUATE APPOINTMENT



Jessica Palmer has been recruited to investigate how members' distribution fleets could be made more sustainable and environmentally efficient.

STARTING early March, SWA have recruited Jessica Palmer, a graduate from Strathclyde University, for an initial 12-week placement to carry out the first phase of our Decarbonisation Of The Wholesale Industry Project. This appointment is through the Environmental Placement Programme, run by Bright Green Business, and supported by Scottish Government.

Having completed her MSc in Environmental Entrepreneurship, Jessica will investigate areas of high pollution and energy consumption within the

wholesale industry, with a particular focus on our distribution fleets and cold storage facilities, identifying and recommending how these could be made more sustainable and environmentally efficient.

Jessica's report will provide members with a reference tool whereby they can make calculated investment decisions for the future decarbonisation of their businesses as well as contributing data towards the creation of a Wholesale industry Net-Zero transition plan for 2045.

Working closely with SWA affiliate member the Scottish Hydrogen and Fuel Cell Association and their members (including the developers, producers, manufacturers and infrastructure engineers of HFC and alternative fuel source products) the project outputs will also help identify where investment and infrastructure requirements should be directed by the manufacturers and developers of those alternative fuels and vehicles.

The project will also make recommendations to the Scottish Government, and enterprise organisations, for financial investment in helping the wholesale food and drink supply chain transition to greener technologies.

QUESTIONS FOR SWA MEMBERS

IN ORDER to measure the current fleet and cold storage carbon footprint of the Scottish wholesale industry, Jessica will speak directly to you, our wholesale members, as well as supplier members who are willing to participate. Ideally, she will talk to your executives in charge of your fleet, energy and/or sustainability.

She will be asking questions covering aspects that include:

- Annual energy & fuel consumption
- Size & type of fleets in use
- Annual mileage/journey plans
- Refuelling points
- Cold/frozen storage sizes, types and locations
- Your current & future investment in 'greener' fleet technologies
- Your interest in participating in HFC/EV technology trials

The information given by members will be treated in the strictest confidence and used only for amalgamated industry figures and tailored individual member summaries.

INVESTING IN A GREENER SCOTLAND



DESPITE the COVID-19 pandemic, sustainability continues to be very high on the list of priorities for both the Scottish Government and the UK Government. Indeed, most new government policies contain a focus on healthier and greener choices for people and our planet.

As part of the Scottish Government's £2 billion Low Carbon Fund^[1] it has committed:

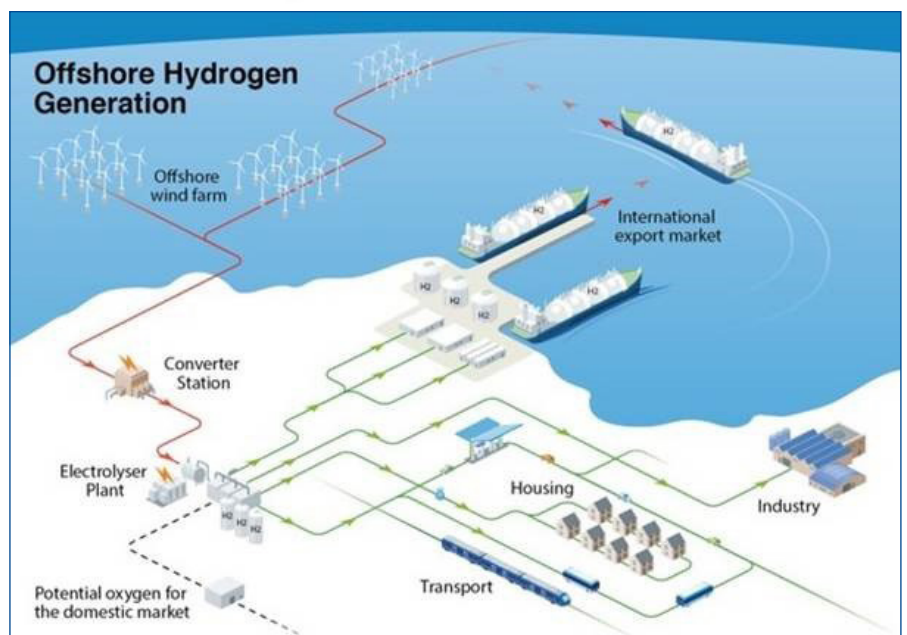
£100 million over the next five years to a Green Jobs Fund, investing alongside businesses and organisations to support new and increased opportunities for green job creation across Scotland.^[2]

£60 million to support decarbonisation of the industrial and manufacturing sector with the aim of driving down emissions and protecting jobs.^[3]

£100 million to boost excellence in research, innovation development and demonstration of secure, low-cost clean hydrogen production between 2021 and 2026. This funding will support delivery of the Hydrogen Action Plan, which is to be published this year.^[4] The Scottish Government has set a target of 5GW of low-carbon hydrogen production by 2030.^[5]

In its Hydrogen Policy Statement^[6], the Scottish Government said: "Having successfully demonstrated the technical viability of hydrogen in a range of transport applications, our focus is turning to scaling up the potential for hydrogen by linking together opportunities across sectors and transport modes and building Scotland's potential for innovation and supply chain growth."

Meanwhile, the UK Government's aim is for the UK to develop 5GW of low-carbon hydrogen production capacity by 2030. This could see the UK benefit from around 8,000 jobs and will be supported by a range of measures, including a £240 million Net Zero Hydrogen Fund.^[7]



"Having successfully demonstrated the technical viability of hydrogen in a range of transport applications, our focus is turning to scaling up the potential for hydrogen by linking together opportunities across sectors and transport modes and building Scotland's potential for innovation and supply chain growth."

Scottish Government Hydrogen Policy Statement ^[6]

SOURCES:

- (i) www.gov.scot/publications/protecting-scotland-renewing-scotland-governments-programme-scotland-2020-2021/
- (ii) <https://www.gov.scot/publications/scottish-government-hydrogen-policy-statement/>
- (iii) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/936567/10_POINT_PLAN_BOOKLET.pdf

OTHER DECARBONISATION PROJECTS IN SCOTLAND

ABERDEEN has become the first city in the world to introduce hydrogen-powered double-decker buses.

The initiative, which involves 15 double-decker buses, will underline the city's role as a pioneer in green energy.

The project has been funded by Aberdeen City Council, European Union (the Fuel Cells and Hydrogen Joint Undertaking) and the Scottish Government with an investment of about £500k per vehicle, building on initial research funding contributed by the Scottish Cities Alliance.

www.fch.europa.eu/



A hydrogen dual fuel van is being trialled by the Royal Mail in Aberdeen as the city works towards achieving better air quality and more sustainable transport options.

A specially converted Ford Transit will be used in Aberdeen over the next year, and the trial period will help determine whether hydrogen is operationally suitable for the postal delivery service's fleet.

The van can travel up to 120 miles in dual fuel mode.

www.heraldscotland.com/



In Orkney, a new local energy company, ReFLEX Orkney Ltd, has launched a range of low-carbon transport and power services exclusive to Orkney residents and businesses to further decarbonise the island's energy system.

This new approach will help pave the way for other regions in the UK to adopt a localised integrated energy systems approach. The project is also creating larger-scale and community-focused initiatives such as electric buses, a local electric car club in partnership with Co-wheels, and the integration of green hydrogen for storage and transport.

Orkney already generates over 100% of its electricity demand annually from renewables.

www.orkney.com/