

Ross Gilligan
Rom 4.06
Scottish Parliament
Edinburgh
EH99 1SP

Dear Ross

The Federation of Small Businesses in Scotland wishes to take this opportunity to comment on the proposed Energy Efficiency and Micro-Generation Bill, in the name of Sarah Boyack MSP.

At a time of sharply rising gas and electricity costs, small businesses more than ever find it increasingly expensive to run their businesses. Energy costs are a significant overhead for many small businesses, and most SMEs are painfully aware of the proportion of turnover they currently spend on energy. Any method of energy efficiency or micro-generation which could lead to less reliance on the national grid, could deliver greater security of supply, and reduce the exposure of small businesses to the vagaries of energy markets, would be welcomed by the FSB in Scotland.

However, although we understand the sentiment behind energy efficiency and micro-generation in both new and existing buildings, we would be uncomfortable with a requirement for micro-generation 'in all new developments'. There are obvious financial benefits to making business premises more energy efficient, and the proposed Bill would make financial incentives available, including a reduction in business rates for those businesses that become more energy efficient or produce their own energy. However, there are higher capital costs associated with such improvements or developments and while we would urge small businesses to do what they can to meet energy efficiency or micro-generation targets (and in doing so, save money) we would not want to make this a regulatory requirement as it may in fact act as a barrier to business start-up and growth.

On balance, the FSB in Scotland supports the general principles of the proposed Bill, but we would prefer the Bill to encourage, rather than compel, businesses to become more energy efficient and generate their own energy, without introducing new regulations on small businesses.

Please get in touch with Andrew Watson, Deputy Head of Press and Parliamentary Affairs in the Scottish Office, if you need any more information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ross Gilligan', written in a cursive style.

Andy Willox
Scottish Policy Convener