REA Response to "Consultation on Planning for New Energy Infrastructure: Review of Energy National Policy Statements"

About the REA

The Association for Renewable Energy & Clean Technology (REA) is pleased to submit this response to the above consultation. The REA represents a wide variety of organisations, including generators, project developers, fuel and power suppliers, investors, equipment producers and service providers across the power, heat, and transport sectors. The REA has forums focused on solar PV, bioenergy, pumped hydro systems, energy storage and grid developers amongst many other renewable technology forums. Members range in size from major multinationals to sole traders. There are over 500 corporate members of the REA, making it the largest renewable energy trade association in the UK.

1) Does the draft Overarching Energy National Policy Statement (EN-1) provide suitable information to those engaged in the process for development consent (e.g. the Secretary of State, the Planning Inspectorate, applicants) for nationally significant energy infrastructure:

a. on the government's energy and climate policy (Part 2)?

Yes,

On the whole Part 2 provides a comprehensive overview of current energy and climate policy. We however note the following potential discrepancies:

Paragraph 2.4.1 – since the publication of the draft the government have committed to a net-zero power grid by 2035, this should be expressly referred to within the NPS – providing further urgency to power sector decarbonisation, beyond further high-level total energy decarbonisation targets.

Paragraph 2.4.3 – refers to 3 CfD auctions, for the sake of avoiding the document becoming almost instantly out of date when published, reference to CfD AR 4 should be considered which will be opening for application in December 2021. In addition, when discussing the clearing prices of previous auctions, it should be made clear these are in 2012 prices.

P 2.4.4 – It has now been announced that Energy from Waste facilities will be part of future Industrial Carbon Capture contracts – this should be updated in the document which refers to "…EfW 'could' be included". For completeness, it may be appropriate to highlight this will also apply to Advanced Conversion Technologies. In addition, within this paragraph, it may also be appropriate to highlight the need for carbon transport and storage infrastructure to be developed to accompany the deployment of CCUS technologies.

P 2.4.10 – In addition to the introduction of emission limits, it could be mentioned that Government is currently considering what further amendments to the capacity market may be required to make it aligned with the UK's Net Zero ambitions.

Also in section 2.4 - It may be worth considering a paragraph on the Renewable Obligation (RO) and Feed-in-Tariff, under which many renewable power generation sites are currently operating. It is noted that the first RO site contracts will start to come to an end in 2027 – which itself may trigger further planning applications for the adaptation or re-powering of these sites.

b. on the need and urgency for certain types of energy infrastructure (Part 3)?

Yes,

The REA welcome the focus on ensuring planning authorities recognise the urgent need for the deployment of a diverse set of renewable energy and clean technologies (paragraph 3.3.8). In addition, we welcome the removal of the need for new coal and large-scale oil-fired electricity generation (paragraphs 3.2.3 and 3.2.4). We believe this statement could go further to emphasise the importance of not supporting other forms of unabated fossil fuel generation, including gas, which will become stranded assets if the UK is to meet its target of a fully decarbonised electricity system by 2035.

The REA would also like to see a statement within Part 3 emphasising the importance of planning authorities supporting innovation around energy system development where possible and if consistent with local area plans. It is likely there will be many new developments and combinations of technologies not referenced within the NPS, that will need to be built out and supported in order to achieve the complete decarbonisation of the electricity grid by 2035.

In addition, we highlight the following points in relation to specific paragraphs (p):

P 3.3.12 – It should be added that demand-side response also helps shift and flatten peaks in demand, making it easier and cheaper to balance the grid, to the benefit of consumer bills.

P 3.3.14 the REA strongly oppose the stress being placed here on the need for large scale, centralised generating facilities. While some will likely be needed as part of the general energy mix, this should be seen as on par with the development of more decentralised and localised generation and flexibility, encouraging localised energy markets. It should be emphasised that a decarbonised grid will require a wide range of energy generation and storage technologies of different sizes across the country.

P 3.3.18 Again it should be stressed that part of the role of energy storage is to help shift and flatten peaks in demand and generation making it easier and cheaper to

balance the grid. This saves consumers and businesses money as there is less backup generation required.

P3.3.30 The REA suggest that the statement that "interconnection facilitates a secure, low carbon electricity system at the lowest cost" is inaccurate. The cost of energy provided by interconnectors is dependent on the wholesale cost of energy across the European single energy market. Prices can vary significantly and, now that the UK is outside the EU, the UK is now a price taker subject to the status of demand in other European states. It does not follow that interconnection will always provide the cheapest form of electricity or low carbon electricity. In addition, some imported electricity will be at a higher fossil fuel intensity to UK supplies, which will become increasingly important as we move towards Net-Zero. While we recognise the need for interconnection, we believe the priority should be placed on growing and developing our own domestic supply of renewable generation and storage for providing the most affordable and secure forms of renewables.

P 3.3.34 We suggest it is wrong for the NPS to make statements in regard to the use of biomass, or its availability, in advance of the Government's publication of the Biomass Strategy (expected second half of 2022). There is a possibility for contradictions between the NPS and future government biomass policy if such statements are asserted.

P3.3.60 This part should now also make reference to Government commitments to ensuring a Net Zero electricity grid by 2035.

P 3.4.21 The paragraph fails to mention that Heat networks may also be powered directly through high heat load technologies like biomass, some forms of heat pumps, or indeed by biogas.

P 3.5.3 – 3.5.9 Greater reference needs to be made to the delivery of low carbon transport and energy storage infrastructure also needing to be recognised by planning decisions to help facilitate the deployment of CCUS technologies.

c. to inform decision making?

Yes,

The NPS EN-1, on the whole provides a strong basis for assisting in decision making and stressing the importance of seeing a diverse range of renewable energy and clean technology systems deployed.

2. Do you agree with the amendments made to EN-1 Part 4 on assessment principles, including new guidance on the marine environment, and biodiversity and net gain?

Overall, the REA welcome the amendments made to Part 4 on assessment principles, including updates to the CCS section and grid connections, along with the inclusion of a new section on biodiversity net gain.

We raise the following points in relation to specific sections:

Section 4.5 Environmental and Biodiversity Net Gain – The Secretary of State should also be instructed in this section to consider where applicants are adhering to independently verified industry certification schemes that already consider supply chain impacts on biodiversity and environmental sustainability. For example, such schemes applicable to bioenergy sectors include the Sustainable Biomass Programme (SBP), Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).

The section should also make explicit reference to some energy projects being able to provide specific benefits to soils, for example composting of waste; use of digestate from anaerobic digestion or by bioenergy plants - creating a market for the growth of carbon fixing perennial energy crops.

Section 4.8 Carbon Capture and Storage – The REA welcomes the further update to the section on CCS. However, we do highlight that CCS remains an evolving space, with many work streams across industry and Government currently dedicated to realising commercial projects in the UK. As such, special care should be taken to avoid the NPS assuming outcomes of current developments and consultations, as it risks creating contradictions between planning approaches and the final intentions of the Government. For example, it should be noted that there is currently an ongoing Carbon Capture Readiness review taking place, the consultation for which closed recently. The section starting 4.8.9 is currently based on existing CCR requirements which could well soon be subject to change, leaving the NPS out of date.

In addition, Given the government's recent Net Zero Strategy announcement that Engineered Greenhouse Gas Removals (such as BECCS) should capture at least 5MtCO2 of negative emissions per year, and the Biomass Policy Statement which has committed to establishing the role that BECCS will play, the NPS should ensure that it is reflective of these evolving ambitions on both negative emissions and BECCS specifically
Greater consideration should also be given to the 'use' of carbon once captured, this could prove to be a valuable resource or transition technology that planning considerations should also take into account

Similarly, statements such as "We do not currently envisage an onshore CO2 storage industry developing" (paragraph 4.8.8) should be avoided as the carbon storage industry continues to develop and we don't yet fully understand the full range of options and benefits open to the sector.

3. Do you agree with the amendments made to EN-1 Part 5 on the generic impacts of new energy infrastructure?

Yes,

The REA supports the inclusion of GHG emissions into Part-5 of generic impacts. However, it should be noted that, contrary to paragraph 5.3.7, we believe that operational carbon emissions should be considered with a positive weight given to those developments with low or zero operational carbon emissions or demonstrating an ability to capture carbon.

Section EN-3

8. Do you agree that the amendments to EN-3 (in combination with EN-1) provide clear planning policy to support the government's position on renewable energy infrastructure?

Yes,

The REA welcome the focus on ensuring planning authorities recognise the urgent need for the deployment of a diverse set of renewable energy and clean technologies (paragraph 3.3.8). In addition, we welcome the removal of the need for new coal and large-scale oil-fired electricity generation (paragraphs 3.2.3 and 3.2.4). We believe this statement could go further to emphasise the importance of not supporting other forms of unabated fossil fuel generation, including gas, which will become stranded assets if the UK is to meet its target of a fully decarbonised electricity system by 2035.

10. Do you agree with the new guidance added to EN-3 on pumped hydro storage?

The REA support the inclusion of Pumped Hydro Storage and the range of factors for inclusion within the NPS. However, just in relation to paragraph 2.38.1 it was raised with us that the statement "Due to losses in pumping the water, PHS is a net consumer of electricity." is not always the case. Often sites will also have access to rain/snow runoff from nearby mountains, which can lead to filling the reservoir without pumping. This could be considered a benefit within planning applications.

11. Do you agree with the new guidance added to EN-3 on solar PV?

The REA support the inclusion of Solar PV and the range of factors for inclusion within the NPS. However, on the substantive issue of changing how solar farms capacity is measured - from the combined capacity of installed solar panels (measured in DC) to the combined capacity of installed inverters (measured in AC) – we agree with the overall decision to measure in AC, but suggest the provided context for the change is inaccurate.

It is incorrect to suggest that solar has always been assessed as DC capacity. It was rather the case that there was previously no expressed definition as to how solar farms should be assessed, as such some were done in DC, while overs already in AC. This confusion partly stemmed from PINs advice in April 2016 that concluded that the correct approach to assess capacity was DC as the 'gross output' of a scheme. However, this guidance was noted to include technical inaccuracies and was never legally binding, leaving both options to be used.

An REA member has provided the below as a suggested way to amend paragraph 2.48.7 to be in line with the above:

"For the purposes of determining the capacity thresholds in Section 15 of the 2008 Act, all forms of generation other than solar are currently assessed on an AC basis, while [there has been no express definition as to how] solar farms are assessed [DELETED TEXT]. Having reviewed this matter, the Secretary of State is now content that this disparity should end, particularly as electricity from some other forms of generation is switched between DC and AC within a generator before it is measured. Therefore, [DELETED TEXT] for the purposes of Section 15, the combined capacity of the installed inverters (measured in AC) should be used for the purposes of determining solar site capacity. The capacity threshold is 50MW (AC) in England and 350MW (AC) in Wales. [The only exception to this is for any solar grant of planning issued prior to the date of this NPS where capacity is explicitly stated, in which instance the capacity stated in the grant will take precedence.]"

Note that the final sentence of the suggested amended paragraph also reiterates that the change in NPS should not impact existing planning decisions and should not cause a retrospective change to any decision where capacity has been explicitly stated as being DC by local authorities.

<u>Section EN-5</u>

18.Do you agree that the amendments to EN-5 (in combination with EN-1) provide clear planning policy to support the government's position on electricity networks infrastructure?

On balance yes, especially formal adoption of the Horlock rules, but please see comments on permanent land use rights in the next question. We also believe there is a strong case for strengthening undergrounding rules to extend this to more habitats and landscapes (eg SSSIs). This is in order to build public support for new infrastructure rather than risk undermining it with visual impact concerns.

19.Do you agree with the new guidance added to EN-5 dealing with land rights and interests?

We understand and agree with the rationale behind this proposal, however we urge recognition that it will not always be possible for a developer to secure permanent land rights (as opposed to wayleaves) over land and so some flexibility must remain on this area.

20.Do you agree with the new guidance added to EN-5 incentivising more coordination in the design and delivery of electricity transmission infrastructure associated with offshore wind?

Yes. It is essential that there is as much coordination as possible on such developments, indeed this should also be the case for distribution network assets (sub-132kv) as there will also be considerable installations of such infrastructure in the coming years, with RIIO ED2 and reinforcement of the network for new distributed generation assets.

21.Do you agree with the amendments made to EN-5 to reflect priorities to minimise the landscape and visual impacts of new electricity network infrastructure including recognition of the 'Horlock Rules' and undergrounding in National Parks and Areas of Outstanding Natural Beauty?

We strongly agree with the proposals, including formalising the Horlock Rules - this is very important. In order to ensure consumer acceptance of climate change action and new onshore low carbon energy infrastructure, we believe that overhead wires should be buried in subsurface pipes where new such infrastructure crosses visually sensitive landscapes, national parks, any SSSI and other protected landscapes, and where there is a cumulative impact of multiple such infrastructures on a particular area.

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