Planning considerations for renewable energy providers

Westminster Hall debate briefing

25 October 2023

Background

- In the first quarter of 2023, renewables generated a record 48% of the UK's electricity. Renewable energy is produced via sources that are less damaging to the environment than fossil fuels. A renewable energy provider is a company that generates the power it provides for its customers via renewable sources, including hydroelectricity, solar power or wind power.
- In 2022, wind power contributed 26.8% of the UK's total electricity generation, while solar contributed 4.4% and hydropower 1.8% to the renewable mix.
- Independent companies have led the way, such as Octopus Energy and Ecotricity. They generate around 20% independently and the rest is certified green energy bought from other green generators or via the wholesale market. Long-standing energy providers also offer renewable power, including EDF and E.ON.
- Community energy schemes are another way of accessing renewable energy within a local area, the local community invest as shareholders in the project and then benefit from the income generated.
- Government set a target to deliver a decarbonised power sector by 2035. The British Energy Security Strategy commits to deliver up to 50GW of offshore wind by 2030, including up to 5GW of floating wind, to have at least 70GW of solar power generation capacity by 2035.
- In February 2023, the Department for Levelling Up, Housing and Communities published a new policy paper "Nationally Significant infrastructure: action plan for reforms to the planning process", which outlines the government's commitment to streamline the planning process in England and Wales to allow vital new clean energy infrastructure to be built more quickly.
- Many have criticised the current planning system's slow pace, noting it can take four or five years to get approval for an offshore wind farm. To cut energy bills, meet our net zero target and boost energy security, the government must streamline the system to make it more responsive to this triple challenge.
- It is possible to have a planning system in England that has net zero, nature and public support at its heart, which will also unlock greater benefits for renewable energy providers.

What is the current planning system?

- The Planning Act 2008 created a separate planning system for major infrastructure projects, generating over 50 megawatts of capacity, which bypass local authorities – these are known as Nationally Significant Infrastructure Projects (NSIPs). Applications are reviewed by the Planning Inspectorate to check if they are in line with national-level policy. Since 2012, the final decision rests with the Secretary of State. This was intended to speed up decisions,

however this hasn't been the case. The proportion of projects being delayed is increasing, with on average 29% of projects being delayed each year.

- Developers are required to undertake a pre-application consultation with the local community for onshore wind developments, prior to submitting planning application. This is the case if the plans consist of more than two turbines or if the turbine height exceeds 15 metres. They are required to publicise applications for proposals and must allow the local community to comment.
- The Secretary of State's planning decisions are increasingly challenged through judicial review. Between 2010 and 2020 there were 16 judicial reviews of infrastructure planning decisions, only one of which was successful, but since 2021 there have been 7 legal challenges, of which 4 were successful. Longer planning delays on renewable energy projects means the UK is dependent for longer on more polluting energy.

How are environmental and habitat impacts considered?

- Currently, developments like onshore wind farms may need to undertake an environmental impact assessment (EIA), which is designed to assess and set out measures to mitigate the potential environmental impacts of a proposed development. However, the Levelling Up and Regeneration Bill intends to secure powers to replace this with a new system of Environmental Outcomes Reports (EORs).
- The Environment Act 2021 introduced a new system of 'biodiversity net gain' for most new developments in England, including NSIPs. Rules were meant to become a mandatory part of the planning system in England in November 2023, however this has been delayed until January 2024 for larger sites and April 2024 for smaller sites. This would involve habitats and wildlife impacted by development being given a biodiversity unit, with developers then required to deliver 10% net gain against this starting figure. The Wildlife Trusts said they had wanted gain to be set at 20%. The UKGBC has said that any delayed implementation would "hurt green businesses and development".
- There is a different set of planning legislation for renewable energy projects delivered at sea, such as offshore wind. The Crown Estate manages the seabed around England, Wales and Northern Ireland, identifying and leasing suitable seabed sites for development. Under existing regulations impacts are considered at the plan level through Strategic Environmental Assessment (SEA) and plan level assessment under the Habitat Regulations. The RSPB argue that while assessments are useful in requiring the environment to be considered as plans are first developed, they have broad perspective and often lack sufficient detail across many options.

What are the benefits of resolving planning backlogs and creating a net zero power system?

- Renewables are cheap, they are around nine times cheaper than the current price of electricity generated in gas-fired power stations. In a cost of living crisis this means access to lower cost electricity for consumers.
- As well as making financial sense for bill payers, resolving the planning backlog would create more opportunity to stimulate investment into the UK. In the EU and US proposals to dramatically speed up the planning process for clean energy infrastructure have been put forward. Some EU countries, such as Spain, already have emergency legislation to boost renewable deployment.
- Renewables are clean and will help the UK meet its net zero commitments. Environment APPG associate members Low Carbon have a solar portfolio of more than 2GW in the UK which has the potential to save in excess of 440,000 tonnes of CO_2 each year. Members Santander UK have recently provided £25m funding to South Farm Solar Ltd to support its construction and operation of a new solar farm that will deliver more than half of the City of London Corporation's electricity.

- Environment APPG associate members Solar Energy UK argue that even under a fivefold increase in solar power, solar farms would have "minimal if any impact" on food security.
- Resolving planning issues would also benefit the UK's energy security. Energy price spikes are mostly driven by the volatile nature of fossil fuel prices and, in part, by Russia's invasion of Ukraine due to reductions in gas supply. The UK is heavily dependent on gas for energy, with 85% of homes using it for heating and more than a third of electricity supplies coming from gas power plants. Rapid development of renewable energy would guarantee the security of supply and limit reliance on expensive imports.

What are some examples of potential solutions?

- Reduce Secretary of State approval time from 18 to 12 months. This was committed to in the British Energy Security Strategy published in the wake of Russia's invasion of Ukraine, to create a faster track for projects which meet quality standards.
- Standardised community benefit options for local infrastructure projects that are fair, simple and direct. Ensure development brings direct, tangible, local investment with it, proposals with community benefits are much more likely to be accepted.
- Government could consider a public engagement campaign to help people understand more about proposals and explain the community benefits.
- Supporting renewable energy providers with the ongoing reform of grid connection.
- Prevent delays at a decision stage by creating a statutory requirement on the Secretary of State to consider if additional questions to the developer are necessary two months into the three-month decision timeframe.
- Train and resource planners at local and national level to speed up decision making processes.
- IPPR propose a national Land Use Framework that manages strategic land use priorities across England. This should constitute a national spatial plan that outlines the different types of land use to be led by a cross-party government committee. Government has committed to publish a Land Use Framework by the end of 2023.

What do voters think?

- Polling undertaken by DESNZ found more than three quarters of respondents (78%) surveyed in spring 2023 said they supported the use of onshore wind in the UK.
- Polling by YouGov commissioned by Britain Remade found Clean Energy Zones, where new renewable projects would get fast-tracked planning approval, were supported by 52% of respondents, with only 11% opposing the idea.
- Polling by Glocalities found more than two thirds of the world's population favours solar energy, five times more than public support for fossil fuels.
- Polling by RenewableUK found 67% of Conservative to Labour 'switchers' think the Prime Minister hasn't gone far enough to increase the use of renewable energy.