

Our ref: Ofgem RESP Consultation

Date: 04 October 2024

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Dear Sir/Madam

Response of East Suffolk Council to Ofgem Consultation on the Regional Energy Strategic Plan Policy Framework

East Suffolk Council (ESC) welcomes the opportunity to comment on Ofgem's proposals for the Regional Energy Strategic Plan (RESP) policy framework. ESC has extensive experience with large scale energy infrastructure projects and has regularly and consistently engaged with central government, Ofgem, and project developers raising concern about the piecemeal and uncoordinated approach to energy development in East Suffolk and overall lack of a strategic approach to infrastructure development.

The journey to Net Zero requires radical changes across the current energy system, which will need significant new investment, particularly in electricity network infrastructure. This will further require changing how the electricity system is planned and operates. The transition will require a significant amount of new energy infrastructure at both a local and national level. ESC has repeatedly raised its primary concern is for the Government to take responsibility for ensuring that this demand is met through a strategically planned for and structured network of energy infrastructure that considers hosting environments and the cumulative impacts that numerous projects focused in one area can have.

The consultation states the move towards strategic spatial energy planning will be delivered at three levels. At a national level, the Strategic Spatial Energy Plan (SSEP) and the Centralised Strategic Network Plan (CSNP) and at a distribution level, the RESP. All three are to be delivered by the system operator and must coherently interact with one another. This consultation seeks views on only the RESP policy framework. It is understood there is no current or imminent consultation on the national SSEP or the CSNP. It would have been welcomed if the SSEP had been published for consultation with the current RESP consultation, as it is understood the SSEP will provide the overarching policy, under which the RESP will sit.

ESC has continually raised concern about the lack of strategic coordination in and across government relevant to the delivery and planning of energy infrastructure, and the implications for East Suffolk's communities and the environment of the current piecemeal and uncoordinated approach. While the production of the RESP is recognized as a step towards strategic energy planning, it is still one piece in what needs to be an ongoing discussion and workstream.

ESC requests more information about how the RESP, SSEP, and CSNP will work together. This includes clearly articulating how this new approach to strategic energy planning relates to the wider planning system, including the proposed changes to the National Planning Policy Framework and National Policy Statements.

Whilst we fully support the creation of the RESP, there are many areas including east Suffolk which will in time hopefully benefit from the RESP but given the number of energy infrastructure projects with consent and at varying stages of the Development Consent Order process, will be too late to help and will therefore be outside the scope of the RESP.

Additionally, ESC emphasizes the importance of a good communications strategy and awareness campaign around the production of the RESP. A clear narrative around the need and purpose of the RESP is essential to attract stakeholder buy-in and interest. It is also vital that the relationship between the RESP and existing planning policy is explained and understood.

1. What are your views on the principles (in paragraph 2.8) to guide NESO's approach to developing the RESP methodology? Please provide your reasoning.

The principles presented in paragraph 2.8 include being place-based, whole system, vision-led, and proactive. These principles are appropriate and reasonable. Successful strategic planning will require all these elements.

In addition to the principles set out in paragraph 2.8 it is considered that there should be a principle which seeks coordination and the optimisation of regional energy infrastructure in order to maximise efficiencies and minimise environmental, social, and economic impacts. This should include the consideration of innovative solutions where possible.

Additionally, a place-based approach should explicitly consider the future delivery of homes, employment and other uses in an area. There are already concerns regarding insufficient electricity being available in some rural areas that is preventing existing homes replacing oil and gas boilers with heat pumps and preventing the installation of charging points for electric cars. The government's planned 1.5 million new homes will have a significant future impact on electricity demand, even if they are built to be energy efficient.

A whole system approach should specifically mention renewable and low carbon energy (solar, wind and nuclear projects), as these are essential to meeting net zero by 2050. Additionally, the government has ambitions to deliver up to 8GW of community energy as part of the Local Power Plan, a potentially significant contribution to the future energy mix. The increase in development and scaling up of community energy projects needs to be recognised as likely a future source of generation.

In East Suffolk a lot of energy is generated or passes through the district (solar farms, Sizewell, and offshore wind farms come ashore and have significant onshore infrastructure associated with them). The amount of energy generated or passing through East Suffolk is

due to increase with the delivery of more offshore wind farms and Sizewell C. A significant proportion of the energy is not for local consumption but is transported to London and other areas of the country.

In some local planning authority areas, a local need assessment may not identify a local need for more energy, but there is a clear need to deliver renewable and low carbon energy projects in order to meet the Government's energy targets and net zero by 2050. A potential proactive approach would be for each local planning authority to be provided with a MW renewable or low carbon energy target to be delivered through the Local Plan, a similar principle to what is provided for housing targets.

2. Do you agree that the RESP should include a long-term regional vision, alongside a series of short-term and long-term directive net zero pathways? Please provide your reasoning.

Yes, the RESP should include both a long-term regional vision alongside short- and long-term directive net zero pathways. The RESP, as a key element of a movement to strategic planning, must seek to ensure that national priorities are capable of being delivered but also that the vision and pathways reflect different contexts and circumstances locally in each region.

The long-term regional vision should set an overarching narrative, supported and underpinned by the pathways below it. It is not clear at present what should constitute the vision and supporting aims, whether they are target driven based on data, or whether they are more overarching broader aims.

The RESP must clearly set out priorities around a shared vision across a large area which can then be articulated spatially. A good strategic plan should provide a long-term investment framework to provide confidence and attract investment for growth, but it must also recognise the real challenges actors in each region face and seek to respond to and address these.

The RESPs will need to be flexible and adaptable to respond to changes and uncertainties throughout the lifetime of the plan. The RESPs must be able to adapt to changing circumstances; for example, developments in low carbon generation technologies can happen at pace and will need to be reflected in the RESPs. Additionally, the RESPs must be able to respond to changes in relevant policy. The long-term regional vision must be able to accommodate changing short and medium pathways, without compromising or contradicting the overarching regional vision.

ESC notes the comment made in paragraph 2.16 that the specifics of the methodology and operating model are outside the scope of this consultation, and that only views on the principles presented in paragraph 2.8 are being consulted on now. ESC also notes Ofgem will consult with stakeholders on the specifics of the methodology and operating model in the future and looks forward to the opportunity to comment.

Paragraph 3.11 states triggers and dependencies will be built into the pathways to enable an adaptive approach that can respond to change. ESC wishes to better understand what these triggers are and how they will work in practice.

We are anticipating that Local Planning Authorities will be required to prepare and adopt a Local Plan in around 30 months under reforms to the plan-making system. Local Planning Authorities produce Local Plans that cover a minimum 15-year period from adoption, and are expected to be kept up to date with reviews usually around every five years from adoption. Local Plans address a range of issues including housing and employment need. If local planning authorities are to be involved in spatial planning to meet energy needs, then NESO and the regional vision would need to be compatible with the planning system, able to provide evidence to support planning policies and provide technical advice and support to local planning officers.

Having a NESO's regional strategic planning capability established by late 2025 (para 2.20) would be helpful if this was resource available to Local Planning Authorities who are preparing Local Plans. The Government has stated that it is aiming for universal strategic planning coverage as part of its ambitions for the planning system. It is noted that there are not anticipated to be any requirements on local government to follow the direction of the RESP, however this could undermine its value and the new system of strategic planning would seem to be a sensible mechanism for taking forward the RESP at the more local level.

The proposed short-term pathway of 5-10 year (paragraph 3.7) would not provide sufficient information to support the preparation of Local Plans.

3. Do you agree there should be an annual data refresh with a full RESP update every three years? Please provide your reasoning.

ESC agrees with the principle of annual data refreshes and updating the RESP fully every three years. Regular data refreshes are necessary given the uncertainty around the future energy mix, changing generation technology, and changes in policy and delivery of/for decarbonisation. An annual data refresh seems a reasonable frequency.

ESC appreciates the need for balance in the timing of the full RESP updates; the RESP needs to provide sufficient confidence for investment opportunities, but also needs to be agile enough to respond to policy and other changes appropriately.

Paragraph 3.4 rightly recognises the high level of uncertainty the RESP will need to operate around; uncertainty about the location and timing of electrification of heat, transport, and wider industry; uncertainty about the future energy mix, and policy decisions, and other factors.

It is understood that a function of the RESP is to translate local plan aspirations into actions and drive investment in local and regional energy infrastructure, the RESP can also provide valuable information to inform local plan preparation. Having up to date data every three years would be sufficient to support the preparation of the local plan.

4. Do you agree the RESP should inform the identification of system need in the three areas proposed? Please provide your reasoning, referring to each area in turn

Yes. Consistent assumptions (identify peak demand) – it would appear sensible to have a set of common assumptions to be used across all regions in addition to a range of variation. ESC will however defer to the network companies in relation to the appropriateness of the specific assumptions identified.

Setting out the spatial context for capacity needs (identify where additional capacity is needed and where headroom is) – This is an essential element of the plan to provide a clear indication of where the constraints are and where additional investment is necessary.

Informing strategic network investment (location for strategic investment) – It is important that the local and regional needs are recognised and reflected where appropriate in the strategic network investment. Without the ability to influence the national energy plans, the effectiveness of the regional plans would be undermined.

5. Do you agree technical coordination should support the resolution of inconsistencies between the RESP and network company plans? Please provide your reasoning.

Yes, technical coordination should support resolving inconsistencies between the RESP and individual network company plans. As identified in paragraphs 3.37 and 3.38, there is inconsistency in current governance arrangements relevant to securing coordination which if left unresolved presents a risk to effective strategic whole system planning.

Network operators are bound by their specific license area and associated requirements and focus primarily on their own optioneering and optimisation. While collaboration across different areas/vectors exist, this does not currently happen through any formalised process, which means potential opportunities to maximise whole system benefits and resolving trade-offs are often not maximised. This approach also limits accountability, and the owners of decision-making and responsibility for conflict resolution are not always clear.

Embedding technical coordination as a building block in a RESP is a novel idea, as recognised in paragraph 3.38, and so the methodology of achieving coordination will require further consideration once more detail is known.

As such, ESC supports technical coordination being one of the three building blocks of the RESP, and supports the pursuit of technical coordination as a key means of achieving whole system benefits, and delivering effective strategic planning.

6. What are your views on the three building blocks which come together to form the RESP in line with our vision? Are there any key components missing?

We agree with the building blocks identified so far but have comments on the missing element of innovative thinking and opportunity maximisation throughout all three boxes. The RESP is intended to embed coordination and encourage collaboration between sectors and stakeholders, and to encourage cross-vector working — the foundations of strategic planning. Opportunities to do this must be done at the earliest possible stage, and continue throughout the process. To facilitate and achieve, this innovation should either be a separate overarching building block, applicable to all three or, it should be clearly incorporated into each of the three building blocks.

Innovation should not just be limited to technical innovation — it should include whole process and whole system innovation. It should actively seek to identify opportunities to do things differently and to challenge assumptions to try and achieve the optimal coordination.

7. Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.

Yes, we agree with the framework of standard data inputs for the RESP. As is set out in paragraph 3.40, the RESP will be an aggregated view of both top down and bottom-up local data. ESC is supportive of bottom-up inputs from actors including local government, being used alongside national data inputs like policy targets and Net Zero ambitions.

ESC also recognises the need for the data inputs to change and evolve over time with technological and policy developments. We do however have some comments in relation to some additional data inputs which have been set out below.

None of the local government data listed takes into account the current Government's significant plans for housing growth across the whole of the country, or the associated infrastructure needed to support this level of growth. The level of growth planned will have significant energy demands that need to be planned for.

Housing provision in most adopted/current Local Plans is significantly lower the government's proposed new housing targets. For instance, in East Suffolk the annual housing delivery target would almost double from approximately 900 to 1,700 homes a year. 1,700 homes delivered a year over a 15-year Local Plan period results in East Suffolk having to plan for at least 25,000 new homes and the associated infrastructure.

When assessing future housing need and the associated energy demand in different areas, ESC recommends you refer to the Government's latest housing need targets for each Local Planning Authority area.

Please note that under new Building Regulations, new homes with an associated parking space must provide an electric charging point for an electric car.

There should be consideration of Neighbourhood Plans within other data sources as these may include ambitions in relation to energy infrastructure for example the allocation of land or proposals for community energy developments.

8. Do you have any suggestions for criteria to assess the credibility of the inputs to the RESP?

It is agreed that the credibility of data inputs is important and whilst it would not be possible to ensure complete accuracy with these, it is important that this is a consideration. The input could be assigned a confidence score based on its evidential underpinning and formal approval process. This would reflect the approach to giving weight to Local Plans and Neighbourhood plans in the plan-making process; that more progressed plans with accepted evidence plans can be attributed more weight.

9. Do you agree with the framework for local actor support? Please provide your reasoning.

ESC agrees in principle with the framework for local actor support but consider the breadth of support from regional strategic planning down to much lower scale energy efficiency opportunities to be a potential risk and challenge. It is not clear how the elements within the framework would be delivered and adequately resourced to ensure the delivery of tangible outcomes, given paragraph 3.57 states the framework will not provide any funding or personnel support.

In addition, ESC agrees with the principles for place-based engagement, it is considered transparency in addition to the other principles is vitally important to enable the building of good relationships and allow the local community to have oversight of the process. It is recommended that a new principle could be added which reflected a commitment to consistency and ensuring that the engagement was sustained and occurred on a regular basis helping to establish confidence in the process.

10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.

Paragraph 4.5 sets out that the purpose of the Strategic Board will be to provide a forum for collaboration, navigating trade-offs and supporting whole system planning and ensuring the RESP reflects the regional context. The Strategic Board will oversee the development of the RESP and at key stage gates will produce a recommendation and a potential steer on key decisions being made. Effective governance will be a critical enabler in the pursuit of effective strategic spatial planning. Clear accountability and coordination are essential to ensure that responsibilities are well defined and understood. ESC considers the Strategic Board an appropriate mechanism to try and achieve this.

Regarding decision making, it is important there is clear accountability and responsibility for decision making relevant to the RESP, of which a key element is the role of the Strategic Board in decision making. We note paragraph 4.9 states "We recognise that there could be a case for the Strategic Board to have the final decision-making role in 'signing-off' the RESP. However, we believe this would diminish the overall accountability for regional strategic energy planning and result in an inappropriate transfer of risk outside of the energy system and established regulatory mechanisms. It could result in vastly different outcomes across regions (beyond the spatial variances we expect in how the energy system develops) and, in the event of disagreements, prevent RESPs from being able to support decarbonisation at pace."

As such, ESC considers it appropriate that Ofgem will be the ultimate decision-maker, but decisions will be informed by the advice and evidence prepared by the Strategic Board and Ofgem as decision maker must take a holistic whole systems approach to decision making. We appreciate the potential difficulty of decision making directly by the Strategic Board on the adoption of the RESP, as unanimous support from all representatives is a high bar to cross, particularly when there will be a spectrum of views from actors in each region.

11. Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?

Yes, relevant democratic actors, network companies, and wider cross sector actors as appropriate should be included on the Strategic Board. Their inclusion will attract greater public confidence and trust in the Board.

Representation from these actors will contribute towards achieving effective governance. The RESP, specifically the long-term visions, will require full understanding and appreciation of the regional context. Local actors from each region are best positioned to feed into the formation of the RESP. Representatives on the Strategic Board must have credibility; they must be trusted and perceived to be credible in delivering their roles and responsibilities. Representatives should also be competent, possessing the required skills and competencies to deliver their roles and responsibilities.

Neither Net Zero, nor the transition to a decarbonised electricity system, will be achieved through a solely top-down national approach. Support from the bottom up is necessary. This must include inputs from local governments for regional energy planning.

ESC wishes to be part of the Strategic Board and be involved with the working groups during the formation of the RESP. Local government officers and elected officials possess valuable local knowledge which can and should be used to challenge the energy system actors to identify more ambitious and innovative solutions.

Paragraph 4.22 states Ofgem "recognise[s] that lower tier local authorities (including district councils) have critical place-making and planning roles and can offer valuable place-based insights to inform regional energy strategic planning. Where lower tier authorities are part of a combined authority or other devolved arrangement, we would expect representation through that vehicle. Alternatively, we expect NESO to work with appropriate local government infrastructure bodies to develop arrangements through which collective representation can be achieved."

As a district council with significant experience in energy planning, ESC expects to be able to engage meaningfully, appropriately and directly with the Strategic Board. Given the clearly identified benefits resulting from the involvement of lower tier authorities it is not supported that their voice would be only through the upper tier authority. This is a particular risk in the Option 2 suggestion for the regions where each region will each include a significant number of district and lower tier authorities, potentially with competing and challenging perspectives and priorities, which would present a challenge for a limited number of upper tier authorities to represent appropriately on the Strategic Board.

County councils are not by default always best placed to represent lower tier and district authorities. Lower tier authorities provide important planning functions that will be highly valuable to the Strategic Board. The exclusion of lower tier authorities risks losing the value of this expertise.

Paragraph 4.14 states any wider sector actor with significant inputs to the process or interest in the outputs derived from it should be represented on the board. While ESC accepts the difficulty of ensuring representation from every district council, as a district council with extensive experience in energy planning, ESC would expect to be able to engage directly with the Strategic Board.

Further guidance on this, including further detail on the 'arrangements through which collective representation can be achieved' will be required as it is not presently understood what these arrangements could entail. For the Strategic Board to function as intended and deliver the intended outcomes, it is vital that the relevant actors, including district councils, have the means to engage.

ESC agrees that it is important that the Strategic Board includes representatives from relevant network companies. The consultation refers to the inclusion of other relevant actors in the Strategic Board, for example paragraph 4.25 references including utilities providers, transport providers, businesses, social and environmental bodies, etc. It is important that the membership of the Strategic Board does not become too large as to become unmanageable. Input from these actors through a working group which is attended by the local authorities could be a sensible solution to this.

12. How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.

Democratic

Local government officers and elected officials possess valuable local knowledge relevant to the purposes of the Strategic Board.

The embedded model that integrates technical actors and those with a democratic mandate is considered an appropriate approach. This model is likely to facilitate more effective communication and mutual understanding of different roles and perspectives. The alternative to this is a multi-stage approach of tiered working groups which may make achieving this more difficult.

The model presented in the consultation of the relevant County Council or upper tier authority as the Board representative will place a significant duty on it to meaningfully engage with and fairly represent the relevant lower tier authorities to the Strategic Board. As stated above, the mechanics of this need further consideration and consultation.

Network

ESC defers comments on representation of network actors to the network operators.

Cross-sector

Given the likely differing levels of interest across cross-sector actors, it may be appropriate to have representation through an actor on the Strategic Board, like through their local authority representative. The mechanics of this would need further consideration and arrangement to ensure meaningful engagement and fair representation of actors' perspectives on the Strategic Board.

13. Do you agree with the adaptations proposed for Option 1? Please provide your reasoning.

ESC has no comments to make in relation to this question.

14. Do you agree with our assessment that Option 1 is a better solution than Option 2? Please provide your reasoning.

We agree with the assessment that Option 1 is a better overall solution than Option 2. ESC is concerned that Option 2 proposes geographical and administrative areas that are too large. Under Option 2, each region includes a significant number of lower tier authorities in

each region, and so would make appropriate representation on the Strategic Boards a harder challenge. It is vital that all stakeholders, including district councils, have a voice in the RESP process, and feel that they are being heard.

The RESP should have a regional focus to fulfil its stated objectives, and Option 2 risks diluting the regional variation within each region as the regions are significantly larger than Option 1.

15. Do you agree a single region for Scotland is optimal? If you think a two-region solution is better, do you agree the split should occur at the SSEN and SPEN DNO boundary? If not, please provide your reasoning and alternative option(s)

ESC has no comments to make on Question 15.

Yours sincerely

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East Suffolk Council