Review of the Energy National Policy Statements (Planning for New Energy Infrastructure: Consultation on Draft/NPSs)

13 October 2021

Juan Lopez

Juan.Lopez@39essex.com



COP26: Goal 1 (Energy)

- Secure global net zero by mid-century (with 2030 Emissions Reductions Targets/Nationally Determined Contribution, encouraging investment in renewables) and keep 1.5 degrees (global warming limit) within reach
- Need to: (i) accelerate coal phase-out; (ii) encourage renewables investment
- UK pledge to reduce carbon emissions by 78% by 2035; coal power phase-out by 2024; sale of new petrol and diesel vehicles ended by 2030
- Between 1990-2019, 'record clean growth': UK economy grew by 78%; emissions decreased by 44%
- <u>Thursday 4.11.21: Energy session</u>: Accelerating the Global Transition to Clean Energy (see: Indicative Overview Schedule)



COP26: Sustainability governing principles

- Actively manage potential impacts on the environment and local community and identify opportunities to deliver environmental and social value
- Provide an accessible and inclusive setting for all
- Encourage healthy living
- Ensure a safe and secure atmosphere
- Encourage more sustainable behaviour
- Promote the use of responsible sources and responsible use of resources throughout the supply chain
- Positive legacy



COP26: Accelerating transition from coal to clean power

- Why? Power sector accounts for ¼ of global greenhouse gas emissions. To meet Paris goals; to move away from coal, towards clean power "about five times faster than at present"
- What? Accelerating the global transition from coal to clean power, benefitting jobs, workers, and communities; Energy Transition Council: global leaders to promote clean power as the most attractive option for new power generation – away from coal
- Invitations for help:
- Ending coal power: committing to phasing out coal power by 2030 (developed countries) or 2040 (developing countries), and no new coal plants (anywhere)
- Scaling up clean power
- Increasing energy efficiency: Super-efficient Equipment and Appliance Deployment initiative (countries) and the EP100 initiative (business)

BARRISTERS . ARBITRATORS . MEDIATORS

Pre-COP26: some emerging outcomes

- '...a roadmap for strengthening 2030 NDCs as necessary ahead of, and through, the Global Stocktake in 2023.'
- 'Strengthened expectations of all Parties to produce longterm strategies pointing the way to net zero'



Infrastructure Delivery Taskforce: 'Project Speed'

- Established in summer of 2020.
- To review the infrastructure project life cycle and identify improvements and reforms to infrastructure planning
- Reforms to NSIP regime: see Chapter 5 'Building faster, better and greener' of the National Infrastructure Strategy (November 2020):
- ambition to cut timescales, by up to 50%, for some projects entering the NSIP regime from September 2023
- establish a project "acceleration team" of planning experts to accelerate infrastructure projects through the NSIP regime
- monitor NSIP regime performance, coordinating; ensuring effective engagement with infrastructure departments, statutory consultees, and industry



Planning for New Energy Infrastructure: Draft NPSs [Consultation Document (6.9.21)]

- Energy NPSs set out UK government's policy for delivering nationally significant energy infrastructure and providing legal framework for (planning) decisions
- Energy White Paper (December 2020: transitioning to clean energy by 2050) announced review of Energy NPSs, to:
- Reflecting a broader strategic approach
- Ensuring a (planning) policy framework supportive of infrastructure required for Net Zero transition
- Appraisals of sustainability (AoS) and Habitats Regulations Assessments (HRA), carried out in relation to draft energy NPS
- Ensuring 'fitness for purpose' providing a suitable framework, supportive of decision-making on energy infrastructure



Designated Energy NPSs

- Overarching NPS (EN-1): establishes the need case for specific energy infrastructure and general assessment principles
- 'Daughter' NPSs: technology specific assessment principles:
- Fossil fuel electricity generating infrastructure (EN-2)
- Renewable Energy Infrastructure (EN-3)
- Gas supply infrastructure & gas and oil pipelines (EN-4)
- Electricity Networks Infrastructure (EN-5)
- Nuclear Power Generation (EN-6)

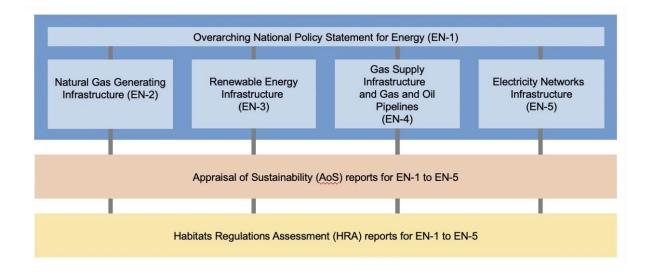


Energy NPS application

- NPSs designated under PA 2008 to provide guidance on application of government policy in determining development consent for major infrastructure
- Application to Nationally Significant Infrastructure Projects
- No retrospective application, but pre-designated drafts will likely be treated as 'important and relevant' considerations



Energy NPS Structure: Draft/EN-1 to EN- 5 and supporting documentation





Consultation exclusion of EN-6 (Nuclear)

- EN-6 currently sets out the planning and consents regime for nuclear projects deployable before 2025. EN-6 will not be amended: no material changes to limited effect (WMS 7.12.17)
- A new NPS for nuclear electricity generation infrastructure deployable after 2025, will be developed to reflect the changing policy and technology
- EN-6 will continue to have a role (WMS 7.12.17) pending the development of any new nuclear NPS. It will continue to have effect for any nuclear electricity generation infrastructure deployable before 2025, or for applications to amend development consent for such generation
- Government envisages consulting on a 'siting approach' for new nuclear development deployable post 2025



EN-1

- Overarching (EN-1), an umbrella document: 3 x principal functions:
- to explain how the suite of energy NPSs will work and to explain the framework of existing government policy
- to set out assessment principles and generic impacts applicable to all energy infrastructure
- to establish the need for new energy infrastructure
- Need for new energy infrastructure is established in draft EN-1: (i) generally; (ii) a need for energy supply and a diverse mix of electricity generation, and (iii) a need for specific, low-carbon energy infrastructure
- EN-1 contains generic information, capable of applying to all types of energy infrastructure (assessment principles and impacts)



EN-1: Green(er) energy infrastructure

- EN-1 effective, in combination with technology specific NPS(s)
- EN-1 may be effective, of itself, for types of infrastructure which have no technology-specific NPS: e.g. Carbon Capture and Storage (CCS) and Hydrogen infrastructure
- EN-1 also effective in relation to energy infrastructure directed by SoS into NSIP regime (s.35 of 2008 Act): so, flexibility allowing for NPSs to support new energy infrastructure; promoting Net Zero transition
- Emphasis upon tackling emissions, whilst continuing to ensure secure, reliable supply



Need for New Infrastructure

- Draft EN-1, Part 3: importance, of new large-scale energy infrastructure to meet government objectives
- Known technologies included: offshore wind (including floating wind), solar photo-voltaic, wave, tidal range, tidal stream, energy from waste (including Advanced Conversion Technologies (ACTs)) with/without CCS, biomass with/without CCS, natural gas with/without CCS, low carbon hydrogen, large-scale nuclear, small modular reactors, advanced modular reactors, and fusion power plants and nuclear.
- Need for all these types of infrastructure headlined as "urgent"



Draft/EN-1: Government-highlighted proposed changes

- Updating GHG emission reductions target, by 2050, to Net Zero (and 78% by 2035) compared to 1990 levels
- Ensuring energy supply remains secure, reliable, affordable and consistent with Net Zero
- Reinforcing commitment to boost UK growth and productivity
- Promoting future generation mix, from a range of sources including renewables, nuclear, low carbon hydrogen; with residual use of unabated natural gas and crude oil fuels
- Discussion of power decarbonisation
- Discussion of UK security of supply



Government-highlighted proposed changes:

- Removing need for new coal and large-scale oil-fired electricity generation
- Promoting novel technologies
- Updating need and urgency for new electricity infrastructure including generation, networks, storage, and interconnection
- Updating need for alternatives to new electricity infrastructure, including hydrogen, a decentralised electricity infrastructure
- Updating need for gas infrastructure (e.g. natural gas, hydrogen and biomethane)
- Updating need for CCS
- Biodiversity net gain
- Air quality



Draft/EN-1, Part 4 – Assessment Principles

- Draft/EN-1, Part 4: Assessment Principles; General Policies for assessing energy infrastructure projects
- Reinforcing significance of need for energy infrastructure



Draft/EN-3: Renewable energy infrastructure

- Biomass and energy from waste, offshore wind energy (new government offshore wind target of 40GW capacity by 2030) – and now additionally, pumped hydro storage, solar PV and tidal stream
- Energy-from-waste treatment capacity: warning against 'over-capacity' at a national or local level
- New guidance on solar PV: site selection factors; specific technical considerations; environment; biodiversity impacts (+ net gain)
- New guidance on tidal stream energy



Draft/EN-4: Oil and Gas supply infrastructure

- Ambitions for hydrogen
- Ambitions for CCS
- Hydrogen infrastructure remains "in development"
- Flags an upcoming hydrogen strategy (and EN-1 has general application)



So, preliminary views on the consultation draft...

- A general tinkering not wholesale change!
- A focussed change of Policy (Part 2: Net Zero; Decarbonisation;
 Security of Energy) driven by the Net Zero commitment?
- <u>Key Points</u> (1.7.4): emphasising the <u>urgency</u> of energy infrastructure (including low carbon hydrogen infrastructure); emphasising decarbonisation-readiness
- No prediction of a future mix of technology: meaningful, since little differentiation between types of energy infrastructure, in terms of delivery timing
- Recognition: that energy NPSs will generate residual carbon emissions; that some climate change is inevitable; that energy infrastructure should resist climate change



...more preliminary views...

- Recognised possibility of "some limited residual use" of unabated natural gas and crude oil beyond 2050, to meet energy objectives, subject to detailed assessment (pending) – is consistent with net zero, where emissions are balanced by negative emissions from GHG removal technology (2.3.8);
- Carbon emissions achieves greater emphasis <u>but</u> extent of any project contribution to meeting climate change is <u>not</u> a mandatory consideration (5.3 – GHG emissions; 5.3.7)
- Development of opportunities for landscape and biodiversity mitigations (+BNG). But, potential remains for cumulative negative effects (regional/sub-regional levels) on: biodiversity, landscape, water and air quality, water resources, flood risk, coastal change and health (a foreseen consequence of clustering energy infrastructure)



...more preliminary views

- Substantial weight to be given to considerations of need, but no requirement to consider specific contribution of individual project to satisfying need established in EN-1 (so, replacing previous advice: weight should be proportionate to the anticipated extent of actual contribution to meeting need for the infrastructure type)
- Allowing for potential expansion of the 2009 Carbon Capture Readiness requirements (2020 Energy White Paper, first stage consultation, ended 22.9.21), including a removal of the 300MW threshold and the inclusion of low-carbon hydrogen (as an additional decarbonisation technology)



...more preliminary views...

- Carbon assessment (5.3.4): requirement for whole life 'carbon assessment' showing construction, operational and decommissioning carbon impacts + explanation of steps taken to reduce climate change impacts, at each stage. <u>But</u>: no requirement for project-specific assessment of operational carbon emissions / contribution to carbon budgets, net zero and international climate commitments (5.3.7): operational GHG emissions are not reasons to prohibit or restrict energy projects, any more than NPSs do (e.g. CCR requirements)
- Carbon assessment and Part 2 Policy will apply to operational emissions – to be viewed in an economy-wide manner, ensuring consistency with carbon budgets, net zero, etc.
- Is not the function of the planning regime to account for comparative costs of individual technology types or projects = Least cost technologies should not always be chosen; Diversity of supply should be promoted (3.3.63)

39essex.com

BARRISTERS . ARBITRATORS . MEDIATORS

Review of the Energy National Policy Statements (Planning for New Energy Infrastructure: Consultation on Draft/NPSs)

...The consultation is now open for responses!

Juan Lopez

39 Essex Chambers LLP is a governance and neeting entity and a limited across carried by registery registery registery for the provide state of the control of the control

