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Draft overarching policy statement for energy (EN-1)

This Overarching National Policy Statement for Energy (EN-1) is part of a suite of National Policy Statements (NPS) issued in draft by the Secretary of State for Energy and Climate Change on 2nd November 2009. Consultation on the documents will run until 22 February 2010.

The NPS set out the Government's policy for delivery of major energy infrastructure. As well as the overarching NPS, five technology-specific NPSs for the energy sector cover:

- fossil fuel electricity generation (EN-2);
- renewable electricity generation (both onshore and offshore) (EN-3);
- gas supply infrastructure and gas and oil pipelines (EN-4);
- the electricity transmission and distribution network (EN-5); and,
- nuclear electricity generation (EN-6).

The Planning Act 2008 sets out the thresholds for nationally significant infrastructure in the energy sector and empowers the Infrastructure Planning Commission (IPC) to examine applications and make decisions on the following nationally significant energy developments:

- electricity generating stations generating more than 50 megawatts onshore and 100 megawatts offshore. This includes generation from fossil fuels, wind, biomass, waste and nuclear;
- electricity lines at or above 132kV;
- large gas reception and liquefied natural gas (LNG) facilities and underground gas storage facilities;
- cross country gas and oil pipelines and Gas Transporter pipelines

The scope of the IPC's involvement varies in Wales and Scotland and does not apply in Northern Ireland.

The Planning Act 2008 requires that the IPC must decide an application for energy infrastructure in accordance with the NPSs except to the extent it is satisfied that to do so would:

- lead to the UK being in breach of its international obligations;
- be in breach of any statutory duty that applies to the IPC;
- be unlawful;
- result in adverse impacts from the development outweighing the benefits; or
- be contrary to regulations about how its decisions are to be taken.

This means that if a proposal is in accordance with the NPS, then the IPC's starting point should be that the application should be approved. However it does have to take into account national, regional and local benefits (environmental, social and economic) and any adverse impacts, including cumulative and long term impacts. If the IPC is satisfied that the adverse impacts identified outweigh the benefits of the proposed development then consent should be refused.

In the first place therefore, applicants must ensure that their applications, and any accompanying supporting documents are consistent with the overarching NPS, the relevant technology-specific NPS and any other NPSs that are relevant to the application in question. Secondly, the Environmental Statement will be a key document in informing the decision making process. Part 4 of the NPS sets out the basis for assessing energy proposals. It advises for a variety of topic areas (including all those normally covered in an Environmental Impact Assessment) : what the applicant's own assessment should address and what key principles the IPC should adopt in its decision making. It also advises on the weight to be given to certain issues and on the treatment of mitigation measures, particularly how these may be enforced through conditions or obligations

The IPC is able to impose conditions in relation to a development consent, but these must be necessary, relevant to planning, relevant to the development to be consented, enforceable, precise, and reasonable in

all other respects. Similarly, when the IPC requires the applicant to enter into development consent obligations, these must be relevant to planning, necessary to make the proposed development acceptable in planning terms, directly related to the proposed development, fairly and reasonably related in scale and kind to the proposed development, and reasonable in all other respects.

The Overarching National Policy Statement for Energy (EN-1) sets out the policy in the context of the government's response to climate change and the planned transition to a low carbon economy. Within the energy sector, it is the Government's view that the best way of incentivising the most cost effective mix of low carbon technologies is to put a limit or 'cap' on emissions.

The NPS notes that it is critical that the UK continues to have secure and reliable supplies of electricity as we make the transition to a low carbon economy. This means ensuring that :

- there is sufficient capacity (including a greater proportion of low carbon generation) to meet demand at all times, including a safety margin of spare capacity to accommodate fluctuations in supply or demand;
- this capacity is reliable enough to meet demand as it arises;
- there is a diverse mix of technologies and fuels, (including primary fuels imported from a wide range of countries); and
- there are effective price signals, so that the market can react in a timely way to minimise imbalances between supply and demand.

While recognising that in the longer term the UK must reduce its dependence on fossil fuels, the NPS notes that during the transition to a low carbon economy, the UK must be able to access reliable supplies of gas and oil. It proposes to do this by improving the infrastructure to import, store and distribute gas.

The UK faces a major challenge in moving to a low carbon economy and the Government is clear that industry needs to be able to deliver significant amounts of new energy infrastructure over the next 10-15 years. This is due to :

- similar or increasing demand for electricity;
- the closure of existing power stations;
- the switch to low carbon electricity generation.

It estimates that there will be a need for about 43 GW net of new capacity by 2020 and about 60 GW by 2025. Around 30% of electricity generation will be from renewable sources by 2020 (primarily from offshore wind generation).

The Government expects that a significant proportion of the 25 GW of new non-renewable capacity will in practice be filled by nuclear power - it is looking to have some new generation in place by 2018.

All new fossil fuel generating stations must be constructed carbon capture ready. New coal generating stations must, in addition, demonstrate the full carbon capture and storage (CCS) chain, and it is the Government's expectation that new conventional coal power stations consented under the policy framework described here will retrofit CCS to their full capacity by 2025. The Government has said that it will support up to four coal CCS demonstration projects, to be operational in the UK by 2020.

A 'smarter' electricity grid will be needed to support a more complex system of electricity supply and demand with generation occurring in a greater diversity of locations. The Electricity Networks Strategy Group has identified areas for infrastructure enhancement but the NPS does not rule out additional schemes developed in response to other generation proposals.

The government is confident that the need for new energy infrastructure has been established and should not be challenged further by the IPC. Nor does it consider that the IPC should consider the relative advantages of one technology over another given the clear benefits of a diverse energy mix.

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