

Planning for Large-Scale Energy Infrastructure

The planning challenge

7.1 The planning and consenting system for energy infrastructure projects⁶⁷ (e.g. new gas pipelines or gas storage, or investments in renewables, fossil fuel or nuclear electricity generation) is complex, with projects falling under a number of different consenting regimes (see table 7.1). These regimes have similar characteristics including:

- local government involvement;
- an assessment of the proposal against the local authorities' existing plans for development;
- public participation;
- an environmental impact assessment; and
- the potential for a public inquiry.

7.2 These elements are necessary to maintain a regime that is fair, transparent, has public support and that leads to better quality decision-making through local participation. However, these same elements can also create difficulties for participants, including uncertainty, delays and sometimes significant upfront costs.

7.3 Although energy policy is a reserved matter, most aspects of planning policy have been devolved, and in Scotland the planning system as a whole is devolved. Therefore, the relationship between Government and the Devolved Administrations is important in building frameworks for decision making for energy infrastructure that are fit for purpose and reduces delays and uncertainty across the entire UK.

7.4 The timely delivery of energy infrastructure plays an important role in maintaining the reliability of our energy supplies. Securing the necessary consents can be a major cause of delays for all types of energy projects. Recent experience shows these delays can be significant:

- the Scout Moor 65MW windfarm took 23 months to secure planning permission⁶⁸;
- Sizewell B, the most recently constructed nuclear power station, took 73 months to secure planning permission⁶⁹;
- the North-Yorkshire grid upgrade, a major high-voltage transmission line upgrade, took 96 months to secure planning permission⁷⁰; and
- the proposed Presall gas storage facility to store 1020 million cubic metres of gas (20% of current storage capacity) was the subject of an application for planning permission in November 2003. A decision has yet to be made.

⁶⁷ This report uses the term "energy planning system" to refer to the sum of all the different regimes under which energy infrastructure projects secure consents. In many instances, these consents will be deemed to grant planning permission.

⁶⁸ Consent granted under the Electricity Act 1989, which also grants deemed planning permission.

⁶⁹ As above.

⁷⁰ As above.



7.5 On average, in England and Wales since 1990, where a planning inquiry has been held as part of the consenting process, large electricity projects have taken 36 months to secure consent⁷¹. There is an increasing need for major new gas supply infrastructure (as discussed below), and already there is growing evidence of increasing delays in the granting of consent. The need to tackle planning for both electricity and gas projects was emphasised in the responses to the Energy Review consultation.

7.6 There are several specific factors that contribute to the difficulties in securing the necessary consents, including planning permission⁷² for potential developers:

- Individual energy projects are part of large national systems that provide benefits enjoyed by all communities. The areas in which they are located share in these benefits – and may also gain some economic advantage, for example, in terms of employment. But the benefits to society and the wider economy as a whole are much larger. These larger, wider benefits are not always visible to the specific locality in which energy projects are sited. Therefore, local opposition can often be strong. For certain energy development, e.g. gas storage facilities; there are some geological or environmental reasons for the siting of facilities.
- Without a clear Government policy highlighting the strategic national need of a particular type of development, it is difficult for an inspector to give sufficient weight to the national benefits when balancing these against local views. As a result, public inquiries can become embroiled in debates about national issues, rather than focusing on local issues relating to siting of the proposed development. For example, at the Sizewell B inquiry, only 30 of the 340 inquiry days were devoted to local issues.
- Energy projects often have important health and safety considerations. However, even though there are separate regulatory processes to ensure these risks are managed, discussions of these issues as part of planning inquiries can still be lengthy.
- A lack of time limits for the statutory process (both the inquiry and the final decision-making process) makes it difficult for developers to plan construction and procurement of key components, leading to further delays even once consent has been secured.
- Without a clear framework placing time limits for the statutory process, some inspectors will feel constrained as to their freedom to reduce the inquiry time, for example, by limiting the issues in the inquiry or by relying more on written representations. By trying to be more efficient, inspectors may feel they run the risk of being challenged for not having discharged their duties correctly.

7.7 The UK needs a planning framework for energy projects that takes account of both national and local issues, reaches timely decisions and provides more certainty of the duration of the process, while allowing the public to participate properly in the system.

7.8 As already mentioned in previous chapters, over the coming years, we need significant new investment in energy infrastructure:

- over the next two decades it is likely that we will need around 25GW of new electricity generation capacity; and

⁷¹ DTI Analysis; Electricity Development and Consents Team.

⁷² In some cases planning permission is “deemed” when other consents are granted, e.g. permissions under Electricity Act.

- as the UK becomes increasingly reliant on imported gas to meet electricity and heat requirements, the market will need to deliver new gas supply infrastructure such as gas storage and Liquefied Natural Gas (LNG) import facilities, in order to maintain reliable supplies to its consumers. The Government's role is to ensure that the right framework is in place to allow the market to deliver.

7.9 All new investment will need the appropriate consents under the planning system; see table 7.1 for some of the key consent regimes that comprise the planning system. An effective energy planning system is therefore critical if we are to facilitate timely investment in the infrastructure and capacity necessary to make further progress against our climate change and security of supply goals. This is particularly important for our climate change goals, given that planning delays can disproportionately affect low carbon investments such as onshore wind and nuclear power.

7.10 As well as affecting the timely delivery of projects already in the system, the uncertainty and delay associated with securing the necessary consents can make the UK less attractive as a destination for investors in energy infrastructure. A recent report by Ernst and Young on the relative attractiveness of the UK for investment in renewables found that the UK's position had fallen because of industry concerns about planning issues⁷³.

The need for radical, joined-up action on infrastructure planning

7.11 The barriers facing large energy infrastructure projects are not unique, and similar problems exist for other key infrastructure projects, for example airports and waste projects. Work is already underway within Government examining the difficulties for securing planning permission for all large infrastructure projects. The Eddington Study on the Future of Transport is examining the role of planning as a key factor affecting the delivery of important new infrastructure. The Barker Review is looking across the piece at the land-use planning system in England and Wales and its economic impacts.

7.12 The specifics of any changes to the planning system for energy projects will need to be looked at alongside the findings of this other work. However, Government is committing now to introducing fundamental change to the planning system in England and Wales for major energy projects, once the findings of the other Reviews are clear later this year.

7.13 Government also proposes a programme of work to begin immediately to tackle the planning barriers for developers of energy infrastructure. This programme will bring benefits in the short-term as well as enabling the timely introduction of radical change to be announced later this year. The programme of work is focussed on three key components of an effective planning system:

- A proper strategic context, set by Government for major energy infrastructure developments of national importance.



- New and more efficient procedures for the consenting regimes to enable streamlined inquiries to focus on the relevant issues.
- Appropriate mechanisms to ensure timely action by decision makers to prevent delays at the end of the consenting process.

7.14 Furthermore, Government will work with the Devolved Administrations to ensure that across the UK, planning systems for energy projects can reduce risk and uncertainty for developers and others, while maintaining the openness, fairness and accountability of the current system.

Modernising the Scottish Planning System

7.15 Planning in Scotland is devolved and it is important to recognise that operation of the planning system in Scotland is distinct from that in England and Wales. It is governed by the Town and Country Planning (Scotland) Act 1997. While the Government and the Devolved Administrations share common high-level objectives for an efficient planning system there is no intention to promote a single UK-wide planning system or to alter arrangements for dealing with major energy generating developments under the Electricity Act, which, in Scotland, remains the responsibility of Scottish Ministers.

7.16 The planning system in Scotland is currently the subject of review and amendment proposed by the Planning etc. (Scotland) Bill 2006⁷⁴. The objectives are to make it more efficient and inclusive, ensuring that community interests remain central to the system, but avoiding delays and uncertainty where possible.

7.17 The proposals in the Bill are radical; they fall broadly within the three key components highlighted above. Specific measures include:

- the ability to establish the need for a particular development that is of National Strategic Importance by identifying it as a National Development in the National Planning Framework;
- a hierarchy for development proposals requiring different application procedures for national, major and local developments. The intention is to make the planning system more fit-for-purpose, ensuring that responses to each application type are proportionate;
- the introduction of new procedure rules for inquiries (to follow the Bill in secondary legislation) allowing the decision-maker to determine the most appropriate means of resolving the matters in dispute. This would allow increased use of informal hearings and exchanges of written submissions and reserve formal inquiry sessions for those issues genuinely requiring adversarial examination; and
- the introduction of “processing agreements” for major applications which will establish a timetable for the determination of an application, to be agreed between the applicant and the planning authority.

7.18 We will work with the Scottish Executive closely as progress is made with the modernising of their planning regime.

7.19 Scottish Ministers will retain powers to grant consent for large electricity projects under the Electricity Act.

⁷⁴ Further information is available from the Scottish Executive website <http://www.scottish.parliament.uk/business/bills/51-planning/index.htm>

TABLE 7.1: THE KEY ELEMENTS OF THE PLANNING SYSTEM FOR ENERGY INFRASTRUCTURE PROJECTS

| | Project | Permission/Regulation | Authority |
|----------------------------|---|--|--|
| | | | England |
| ELECTRICITY INFRASTRUCTURE | Onshore power stations >50 MW and offshore power stations >1MW (Territorial waters) and >50 MW (REZ) | Electricity Act 1989 (s36) | Secretary of State for Trade and Industry |
| | Overhead power lines (>20kV) | Electricity Act 1989 (s37) | Secretary of State for Trade and Industry |
| | All other electricity infrastructure (e.g. small power stations, substations) | Town and Country Planning Act (1990) and equivalent Scottish legislation | Initial applications by local authorities. Appeals and call-ins by Secretary of State for Communities and Local Government. With substations jointly determined with Secretary of State for Trade and Industry |
| | Associated Compulsory Purchases of Land and Necessary Wayleave (granting access to land for developers of overhead lines) | Electricity Act 1989 (Schedules 3 and 4) | Secretary of State for Trade and Industry |
| | Gas or oil fired power station proposal of >10MW | Energy Act 1976 (s14(1)) | Secretary of State for Trade and Industry |
| | Gas supply arrangements for gas-fired power station | Energy Act 1976 (s14(2)) | Secretary of State for Trade and Industry |
| GAS | Underground Gas storage facilities (including surface infrastructure) for non-licensed gas transporters | Town and Country Planning Act (1990) | Initial applications by local authorities. Appeals and call-ins by Secretary of State for Communities and Local Government If application by a licensed gas transporter jointly determined with Secretary of State for Trade and Industry |
| | | The Planning (Hazardous Substances) Act 1990 and equivalent Scottish legislation | Initial applications by local authorities. Appeals and call-ins by Secretary of State for Communities and Local Government |



| Wales | | Scotland | |
|-------|---|----------|---|
| | Secretary of State for Trade and Industry | | Scottish Ministers |
| | Secretary of State for Trade and Industry | | Scottish Ministers |
| | Initial applications by local authorities. Appeals and call-ins by National Assembly. | | Initial applications by local authorities. Appeals and call-ins by Scottish Ministers |
| | Secretary of State for Trade and Industry | | Scottish Ministers |
| | Secretary of State for Trade and Industry | | Secretary of State for Trade and Industry |
| | Secretary of State for Trade and Industry | | Secretary of State for Trade and Industry |
| | Initial applications by local authorities. Appeals and call-ins by National Assembly. | | Initial applications by local authorities. Appeals and call-ins by Scottish Ministers |
| | Initial applications by local authorities. Appeals and call-ins by National Assembly | | Initial applications by local authorities. Appeals and call-ins by Scottish Ministers |

TABLE 7.1: THE KEY ELEMENTS OF THE PLANNING SYSTEM FOR ENERGY INFRASTRUCTURE PROJECTS *continued*

| | Project | Permission/Regulation | Authority |
|-----|---|--|---|
| | | | England |
| GAS | LNG Import Terminals | Town and Country Planning Act (1990) and equivalent Scottish legislation | Initial applications by local authorities. Appeals and call-ins by Secretary of State for Communities and Local Government |
| | Underground Gas storage facilities (including surface infrastructure), but only for licensed gas transporters | Gas Act 1965 | Secretary of State for Trade and Industry |
| | Gas Transporter Pipelines (pipelines that form the National Transmission System) | Gas Transporter Pipe-line Works (Environmental Impact Assessment) Regulations 1999 | Secretary of State for Trade and Industry |
| | | Town and Country Planning (General Permitted Development) Order 1998 and equivalent Scottish legislation | Local planning authority can request to Secretary of State for Communities and Local Government that permitted development rights should not be applied (which would force a separate planning application) |
| | Commercial Pipelines >16.093km | Pipelines Act 1962 | Secretary of State for Trade and Industry |
| | Commercial Pipelines <16.093km | Town and Country Planning Act 1990 and equivalent Scottish legislation | Initial applications by local authorities. Appeals and call-ins by Secretary of State for Communities and Local Government |

Stage 1 – Setting the strategic context

7.20 The first stage of developing a more effective planning system for energy projects involves Government taking proactive steps to set the right strategic context for applications for planning permission for energy infrastructure.

7.21 Government will take a number of steps to set the appropriate strategic backdrop for consideration of applications for the following energy infrastructure:

- renewable generation;
- combined heat and power (CHP);
- nuclear power;



| Wales | | Scotland |
|-------|--|---|
| | Initial applications by local authorities. Appeals and call-ins by National Assembly | Initial applications by local authorities. Appeals and call-ins by Scottish Ministers |
| | Secretary of State for Trade and Industry | Secretary of State for Trade and Industry |
| | Secretary of State for Trade and Industry | Scottish Ministers for pipes wholly in Scotland. |
| | Local planning authority can request to Welsh Ministers that permitted development rights should not be applied (which would force a separate application) | Local planning authority can request Scottish Ministers that permitted development rights should not be applied (which would force a separate planning application) |
| | Secretary of State for Trade and Industry | Scottish Ministers for pipes wholly in Scotland |
| | Initial applications by local authorities. Appeals and call-ins by National Assembly | Initial applications by local authorities. Appeals and call-ins by Scottish Ministers |

- transmission line upgrades;
- gas supply infrastructure.

Renewable generation

7.22 Securing consent for renewables, and in particular onshore wind, can be an especially difficult process, with developers facing much uncertainty and a significant risk of delays.

7.23 According to industry statistics it takes an average period of 21 months for windfarms to secure planning consent under the Electricity Act regime⁷⁵.

⁷⁵ BWEA – Onshore Wind: Powering Ahead, March 2006.

However, this figure does not represent the true extent of the delays because this does not include applications, which have been in the system for a significant time, but are yet to be granted consent. There are 24 projects, with a combined capacity of more than 1.2GW that have already been in the Electricity Act consent regime for longer than 21 months⁷⁶. The majority of these are in Scotland, although it should be noted that there is already significant installed wind capacity in Scotland. In fact, in total, there is more than 11GW⁷⁷ of renewables capacity currently awaiting consent under the planning system

7.24 There are also significant delays experienced by smaller windfarms that are required to secure permission under the Town and Country Planning Act system, with decisions on average taking between 10 months in England and 27 months in Wales⁷⁸, against a target to determine 60% for all “major applications” within 13 weeks.

7.25 There are a large number of applications for wind projects – in the region of 200 currently being considered under both consents regimes⁷⁹ (Electricity Act and Town and Country Planning Act). As a result of this split across two consenting regimes, governments, central, devolved and local need clear objectives, whether as decision-makers or participants in the system, to enable the planning system to work effectively and to prevent avoidable delays.

7.26 Windfarm proposals have tended to attract controversy. There are a number of particular issues on which individuals and groups oppose proposals: for example on visual impact, impact on bird populations and increasingly the cumulative impacts of windfarms located relatively close together. Government believes that there is a need to set a clear context for all windfarm applications, whether under the Electricity Act or Town and Country Planning Act consent regimes.

7.27 Government policy on renewables was set out in the 2003 Energy White Paper, and Planning Policy Statement 22 (PPS22) was issued in England in 2004 to reflect the importance of renewables to local planning. Equivalent guidance has been issued in Scotland, via the National Planning Policy Guidance: Renewable Energy (NNPG6) in 2000, which is now subject of review and in Wales through the Technical Advice Note 8: Renewable Energy (TAN8). Government has decided to give greater clarity on the strategic issues relating to renewables. As such, we are publishing, as part of this report, a clear statement of need at annex D. This is to be used as a material consideration, alongside PPS22 in England and TAN8 in Wales.

7.28 The Scottish Executive is currently consulting on revised planning policies in its draft Scottish Planning Policy (SPP6)⁸⁰. The Scottish Executive is committed to an ambitious strategy for the deployment of renewables in Scotland and is seeking to identify means of speeding up the consenting process, in order to bring forward achievement of its target for 40%

76 UK Wind Energy Database (UKWED), www.bwea.org/ukwed

77 Renewable Energy Statistics Database – http://www.restats.org.uk/2010_target.html

78 BWEA – Onshore Wind: Powering Ahead, March 2006.

79 UK Wind Energy Database, BWEA, www.bwea.org/ukwed

80 Draft SPP6 Renewable Energy states that the Scottish Executive is minded to require that certain new developments include on-site renewable energy equipment to reduce predicted annual CO₂ emissions by a minimum of 10%.



renewable electricity by 2020. It has also made clear that it does not see 40% renewable electricity as a cap, and will continue to consider renewables applications that go beyond this figure.

7.29 In March 2006, as part of the Climate Change Programme Review, Government committed to producing a Planning Policy Statement on Climate Change. This will set out how we expect "*participants in the planning process to work towards the reduction of carbon emissions in the location, siting and design of new development*"⁸¹. In developing this Statement, we will look at the scope for all types of low-carbon, distributed, including CHP, and renewable generation in delivering this objective.

7.30 We recognise the important role renewables can play and will ensure that this work builds on the statement of need for renewables set out in annex D of this publication, and confirms the need for renewable projects, of all sizes, to meet our climate change ambitions. This Planning Policy Statement will provide further support and guidance for decision makers in the planning system in England. Therefore, Government is committing to joint-working between DTI and DCLG to ensure the role of renewables is firmly embedded in the forthcoming Planning Policy Statement on Climate Change to be introduced in 2007. Government will work with the Devolved Administrations on equivalent guidance across the UK.

Combined Heat and Power (CHP)

7.31 The strategic context for CHP is set out in the existing guidance for developers making applications to construct power stations under the Electricity Act. This sets a requirement for them to "*explore opportunities to use CHP, including community heating, when developing proposals for new power stations*"⁸².

7.32 In the 2003 Energy White Paper, Government committed to updating this guidance to provide developers with more clarity on how best to meet this obligation. This process started in 2004 with a consultation on the proposed guidance and Government has since been working with industry to more clearly establish the extent to which potential developers should explore CHP opportunities.

7.33 Government commits to publishing updated guidance, in consultation with the Devolved Administrations, on CHP for applications under s36 Electricity Act, by the end of this year. The guidance will include more information, with regularly updated heat maps, on developers' obligations to give full consideration to opportunities to develop CHP when proposing new power stations.

Nuclear power

7.34 Like onshore wind, nuclear power is especially affected by delays in the planning system. For instance, the important health and safety considerations associated with nuclear power attract significant public interest and can add considerably to the time taken to go through the consenting process. As

81 DEFRA Announcement as part of Climate Change Programme Review, 28th March 2006

82 Guidance on Background Information to Accompany Notifications under Section 14(1) of the Energy Act 1976 and Applications under Section 36 of the Electricity Act 1989

already mentioned, it took 73 months for the Sizewell B power station to secure planning consent⁸³.

7.35 Potential developers have made clear through the Energy Review consultation that without action to improve the planning process and to identify and address national issues in advance of public inquiries, they will not consider investments in new nuclear power stations.

7.36 Government is clear about the need for full public discussion and consideration on key issues associated with civil nuclear power including health and safety issues, and the weighing of the economic and other benefits against potential detriments. However, Government considers that these issues should be viewed in their appropriate context and should be addressed appropriately up front, in advance of any planning applications. This will avoid the same national issues arising as part of the consideration of every proposal, therefore appropriately allowing public inquiries to focus on local and other relevant issues.

7.37 Government is setting out a proposed framework for the consideration of the issues relevant to new nuclear build and the context in which public inquiries, as part of the planning process, should be held. This framework would be set out in a White Paper to be published around the turn of the year. To support the preparation of this White Paper, Government is consulting on the proposals outlined in annex A of this publication.

7.38 We are seeking views on a policy framework in which national strategic and regulatory issues are most appropriately discussed through processes other than the public inquiry. The inquiry should focus on the relationship between the proposal, the local plans and local environmental impacts. The inquiry should weigh up these issues against the national strategic or regulatory material considerations, which will have already been established. The inquiry should also examine the local benefits of the development and how specific local impacts of the construction and operation of the plant can be minimised.

Transmission line upgrades for all new generation investment

7.39 Given the current age of the UK electricity transmission and distribution system (the 'grid'), and the anticipated requirement for new generating capacity, it is likely there will have to be significant grid upgrades over the coming decades. Government believes that a grid upgrade, where it specifically relates to a new generating station should be considered as an intrinsic part of that project. Although separate applications must be made for the generating station and the grid upgrade, Government believes that both applications should be considered under the same inquiry, where practicable. This will help to reduce the risk associated with investment in both projects: generating assets should neither be stranded, nor should grid upgrades become superfluous.

7.40 Government will work with developers of generating stations and the transmission companies to encourage joint working to allow the consideration of both applications together. Government will also publish new guidance in England and Wales for applications under s36 Electricity Act to reflect this.



7.41 Another important factor in the reliability of our supplies is the resilience of the electricity networks. Following the storms of October 2002, Government has been working with the electricity industry to see what lessons can be learnt and to better prepare for the future. One of the changes has been to amend the Electricity Safety, Quality and Continuity Regulations 2002 to include a requirement for the management of foliage near overhead lines to prevent interference with them or interruption to supply. The statutory instrument has been tabled for the relevant change to come into operation on 31 January 2009. A second change being pursued by Government is in connection with works on existing distribution lines to improve their resilience, for example by replacing bare wire conductors with insulated conductors. Government has therefore reviewed the overhead lines regime and believes a better balance can be struck between changes for which the full consent process is required and changes where a more flexible approach can be adopted. Government will consult on its proposals for new guidance on the consenting arrangements for overhead power lines later in 2006.

Gas supply infrastructure

7.42 Government has already stressed the importance of additional gas supply infrastructure, and announced a programme of work to reduce planning barriers for developers of gas supply infrastructure projects⁸⁴. A key element of this work is to aid local authorities and those involved in making planning and consent decisions at a local level by clarifying the Government policy context and indeed the overriding national need for new gas supply infrastructure projects. This will help all parties to play a more effective role in the existing planning system. As part of this work, Government published a clear Parliamentary Statement of Need for additional gas supply infrastructure on 16 May 2006, to be held as a material consideration in all planning decisions.

Stage 2 – Introducing efficient inquiries

Electricity generation and overhead lines

7.43 Government, in consultation with the Welsh Assembly Government, will update the rules for public inquiries held under the Electricity Act in England and Wales for all generating stations with a capacity of greater than 50MW onshore, 1MW offshore, and for overhead electric lines. The new rules will incorporate the appropriate best practice, having regard for the rules introduced in England 2005 for major infrastructure projects that are granted planning permission under the Town and Country Planning Act⁸⁵.

7.44 The new rules are designed to provide all participants in the planning process with more certainty on how long the process will last. Specific elements include the introduction of timetabling for inquiries and the delivery of an inspector's report, and powers for the planning inspector to run a more efficient, streamlined inquiry, for example, through the introduction of concurrent hearings on different issues.

⁸⁴ Speech by Alan Johnson during debate on security of supply, House of Commons, 12th January 2006.

⁸⁵ The Town and Country Planning (Major Infrastructure Project Inquiries Procedure) (England) Rules 2005.

7.45 It will also increase the front-loading of procedures, making better use of pre-inquiry hearings where participants can discuss the relevant issues outside formal inquiry procedures with the expectation of reaching positions of common ground. A more efficient procedure, with fewer delays and uncertainties, should reduce the costs of taking part in the planning process for all participants⁸⁶. Government is also considering other enhancements, including the practicalities of introducing more written procedures into planning inquiries.

7.46 A consultation on the detail of these changes will be launched later in 2006, with the intention of new rules being introduced in spring 2007. Other work is underway in Scotland to reform their planning system as discussed above.

7.47 A key factor in the timely running of an inquiry is the appointed inspector. Therefore, Government is also committing to making use of existing powers under the Electricity Act to appoint a high-powered inspector, for example a senior judge or QC, for the most complex and controversial proposals. Government considers that this should increase the likelihood that the full benefits of the new inquiry rules will be utilised effectively. Taking a more proactive approach in the appointment of inspectors should also reduce the time taken between a developer lodging an application and the start of an inquiry⁸⁷.

7.48 As highlighted above, the responsibility for the granting of consents in Scotland for large power stations and overhead lines is devolved to Scottish Ministers. The proposed changes above will apply to England and Wales only. Government is committed to working with all the devolved administrations to ensure that action is being taken to unlock and improve the efficiency of the consent regime and help allow renewable resources in the UK to be realised. The Scottish Executive will play an important role in the delivery of increased renewable generation, in part because the majority of proposals for onshore wind farm proposals are in Scotland (approximately 5GW)⁸⁸.

Gas Supply Infrastructure

7.49 As the production of our indigenous supplies of gas continues to decline and the UK becomes more reliant on imported sources of gas for both electricity and heat, there is an increasing need for gas supply infrastructure, such as gas storage projects and LNG import facilities.

7.50 As set out in the chapter on oil, gas and coal, new gas supply infrastructure will play an important role in maintaining a reliable supply of energy for the UK. Securing consent is a key factor in the timely delivery of such projects. Delays in securing consent that result in gas infrastructure not being delivered, or arriving later than needed could result in price rises and price volatility for UK consumers, because of the increased risk of gas shortages at moments of high demand (e.g. a particularly cold winter).

⁸⁶ According to industry, the direct inquiry costs for the Sizewell B inquiry for the developer alone were £30 million.

⁸⁷ For example, the inquiry for the Scout Moor windfarm began over one year after the application was submitted.

⁸⁸ UKWED, British Wind Energy Association.



7.51 However, current uncertainty over securing the necessary consents is increasing, and there is growing evidence of “in-principle” objections from local planning authorities to necessary gas supply infrastructure, as opposed to objections based on the specifics of the proposal. As well as delaying the commissioning of projects already in the system, this uncertainty increases project costs and reduces the attractiveness of the UK investment market for future developments.

7.52 Ensuring the UK has the right gas supply infrastructure requires a regulatory and planning regime that is fit for purpose and minimises risks and uncertainties for developers, while maintaining the ability for local participation. Currently, investors are faced by a mix of local planning controls overseen by the Department for Communities and Local Government and the Devolved Administrations, specialist consent regimes administered by the Department of Trade and Industry and again the Devolved Administrations. These regimes have evolved over time and have not been redesigned to reflect the major changes in the UK gas industry, nor the technological developments in this area.

7.53 Government will consult on the streamlining and simplification of the consenting regimes for gas supply infrastructure projects this Autumn. Government will work closely with the Devolved Administrations in this exercise, recognising the devolved responsibilities in the area of gas consenting regimes. This is in line with the commitments made by the Secretary of State for Trade and Industry earlier this year⁸⁹.

7.54 There is also work underway to prepare for the establishment of an offshore consent regime for new gas storage projects and LNG offshore unloading. Legislation for this offshore work will be taken forward by Government when parliamentary time permits.

Stage 3 – Timely decision making

7.55 The question of final decision-making is a particular issue for all major infrastructure projects and, as already mentioned, work is underway across Government to consider this issue, both in the Eddington Study on the future of transport and, in England and Wales, the Barker Review of Land Use Planning.

7.56 There are a number of options that Government is considering on how best to ensure that the decision-making stage of the consenting process for energy projects does not subject the developer to further, unnecessary delays.

7.57 Government will ensure that there is a joined-up approach, working with the Devolved Administrations, on this issue and will bring forward proposals on options to ensure appropriate and predictable timings for decisions on applications for energy developments. A future announcement will be made later this year in the light of other cross-Whitehall work on planning.

⁸⁹ Speech by Alan Johnson during debate on security of supply, House of Commons, 12th January 2006.

Measures to introduce new planning system for Major Energy Infrastructure

- Government is committing now to introducing fundamental change to the planning system for major energy projects once the findings of the other Reviews (Eddington Study and Barker Review) are clear, later this year.
- Government will work with the Devolved Administrations to ensure that across the UK, planning systems for energy projects can reduce risk and uncertainty for developers and others, while maintaining the openness, fairness and accountability of the current system.

Stage 1 – Setting the Strategic Context

- Government is publishing today a statement of need on renewables, restating our commitment;
- Government will ensure renewables are firmly embedded in the forthcoming Planning Policy Statement on Climate Change. Government will work with the Devolved Administrations on equivalent guidance across the UK;
- Government will publish new guidance in England and Wales on CHP, later in 2006, for applications under s36 Electricity Act. It will provide more information on developers' obligations to give full consideration of opportunities to develop CHP;
- Government will publish generic guidance in England and Wales on s36 Electricity Act, including information on co-operation between developers and the transmission companies about joining-up on applications;
- Government will consult on new guidance in England and Wales on the consenting arrangements for reinforcements to existing overhead power lines later in 2006; and
- Government is launching today a consultation on a policy framework for new nuclear build.

Stage 2 – Introducing Efficient Inquiries

- Government will introduce new inquiry rules for applications under the Electricity Act, in Spring 2007;
- Government is committed to appointing a high-powered inspector for the most complex and controversial energy proposals; and
- Government will consult on options for the streamlining and simplification of the consenting regimes for gas supply infrastructure projects.

Stage 3 – Timely Decision Making

- Government will undertake further work on options to ensure appropriate and predictable timings for decisions on applications for energy developments. An announcement will be made later this year in the light of other cross-Whitehall work on planning.