Confidential

Minutes of the ESN Planning Working Group

Chaired by Hazel Williams, Regen

22 January 2019, 13:00 - 14:30

TLT LLP, 20 Gresham Street, London

- This meeting took place to address the consultation from the Department for Business, Energy and Industrial Strategy (BEIS) on changes to the planning system for storage.
- BEIS attended the session to outline the proposals and are keen to closely engage with industry throughout the consultation.
- The deadline for response is **25 March** and the ESN will be submitting a response. Madeleine will be consulting members to formulate the response and welcomes any input from members.

Overview of consultation proposals, Hannah Clapham, BEIS

- The consultation focusses on England, as planning authority is largely devolved to the regions, however there is general agreement across the Devolved Administrations that storage is classed as a form of generation.
- The key points of the consultation are;
    - No changes will be made to the 50 MW threshold for standalone storage due to BEIS not seeing a huge demand for projects around the threshold. The change would also add complication to the planning system.
    - Co-located projects will be able to count 50 MW of generation as well as 50 MW of storage before tipping into the national planning regime – this recognises the benefits that renewables and storage can bring to the system and encourages composite projects.
    - This does not apply to onshore wind projects as they are currently considered, at any size, under the local planning regime. It may be at the discretion of planning officials whether storage over 50 MW co-located with onshore wind would push a project into the national planning regime.
- Please see the slides here for the full presentation.

Experience of the different planning regimes

Context

The consultation uses analysis of the experiences of the two planning regimes, local (Town and Country Planning Act, TCPA) and national (Nationally Significant Infrastructure Projects, NSIP). The discussion centred on the experience of ESN members of the different planning regimes.

Discussion

- There was some disagreement with BEIS' findings that the NSIP regime does not significantly affect project time and cost.
- The discussion touched on a range of factors that illustrate the difficulties of the national planning regime:
    - **Cost**: under NSIP, it can be £350-400k just to pay the planning examiner's fee. With such high upfront at risk costs, it is very difficult to make the investment case for over 50 MW storage just to see if a project is viable.
    - **Time**: TCPA is around 13 weeks, but NSIP is 18 months.

    - **Bureaucracy**: NSIP requires dealing with National Grid directly which presents additional scrutiny and problems.
- There is certainly appetite for larger schemes to be built, but it is unlikely that investment can be found if the costs and time of NSIP need to be accounted for.
- It is often easier and cheaper for projects to connect at 33 kV and these projects tend to have capacities around 30 MW due to the availability of capacity at this level. As capacity available at this voltage level decreases, developers will look to install projects at the 132 kV level, for which the most appropriate scale of project is above 50 MW.
- BEIS flagged that they would like to see evidence of projects that don't go ahead and the reasons why.

Actions

- **All ESN members to send evidence to Madeleine by 8th March on;**
    - **Estimated costs and time of going through NSIP;**
    - **Projects that have been delayed, rejected or downsized because of prohibitive NSIP costs.**

MW vs MWh

Context

The consultation considers the possibility of changing the metric of the threshold measurement from MW, representing capacity, to MWh, representing duration. The proposal is rejected by BEIS on account of complexity and lack of economic rationale, but it is still a key issue for the storage industry.

Discussion

- The question of whether duration would be a better measure than capacity was a recurring theme throughout the meeting.
- It was generally felt that MWh is a more accurate way to quantify storage, but the complexities that come with assessing in this way were acknowledged.
- Ultimately, the planning regime is in place to assess the impacts of a particular build (footprint size, environmental and visual impact etc.), not the capacity or duration of a storage asset. It is difficult to pick one metric that best reflects that.
- One possible solution is to consider both MW and MWh together and whether a MWh limit be an additional requirement alongside MW. Another would be to consider footprint as a threshold.
- More radically, there was some agreement that the threshold should be disposed of altogether and all/most storage projects could be dealt with under the TCPA regime. There is little evidence to suggest projects over 50 MW have significantly different impacts to those below.

Co-location

Context

As mentioned above, the key outcome of the consultation is to allow up to 50 MW of storage co-located with up to 50 MW of generation. This is a welcome proposal and something the ESN has campaigned for, but there are still specific details that need to be clarified.

Discussion

- The factors that determine a 'composite' or 'co-located' project are not yet clear – the consultation sets out some criteria, but further feedback is welcomed as part of the consultation.

- There is a possible opportunity for Permitted Development rights to be used where an electricity licence is already granted or where storage is installed on industrial land (under B2 classification). This could avoid tricky elements of the planning regime, although ancillary equipment will still need to go through the usual planning requirements. However, this is a potential route that could be exploited and increased regulation should be considered.

Other general points

- It was felt that there should be better consistency of treatment by local planning authorities.
- The benefits that storage can bring to the network need to be made clearer, including the types of storage that the network most needs. Large capacity, short duration storage is attractive, but potentially not as good for the system as long duration storage.
- The experience of the relationship between the grid connection process and planning application was varied amongst attendees, but some felt that the two processes consider many of the same issues and should perhaps be more closely aligned.
- 'Storage' encompasses a wide range of technologies with very different planning impacts. More information needs to be made available to educate planning officials of the variety of impacts of each type of technology.

Actions

- **Madeleine to include a request from the ESN, as part of the consultation response, that BEIS commission or support guidance on storage for planning officials.**

Attendees

Hannah Clapham	Department for Business, Energy and Industrial Strategy
Eleanor Jones	Department for Business, Energy and Industrial Strategy
Simon Wheeler	Enso Energy
Ian O'Malley	Fluence Energy
Adam Baker	Origami Energy
Simon Chamberlayne	Pegasus Group
Lindsay Brownless	Powerstar
David Holmes	Quarry Battery Company
Madeleine Greenhalgh	Regen
Rachel Hayes	Regen
Hazel Williams (chair)	Regen
Anthony Price	Swanbarton Energy Storage Consultants
Fergus Charlton	TLT LLP
Daniel Hill	TLT LLP
Keila Abreu	UK Power Reserve

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