

# Business, Energy and Industrial Strategy Committee

## Oral evidence: Energy National Policy Statements, HC 847

Tuesday 18 January 2022

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[Watch the meeting](#)

Members present: Darren Jones (Chair); Tonia Antoniazzi; Alan Brown; Richard Fuller; Ms Nusrat Ghani; Mark Jenkinson; Andy McDonald; Charlotte Nichols; Mark Pawsey.

Questions 85 - 161

### Witnesses

I: Jan Bessell, Board Chair, National Infrastructure Planning Association; Julian Boswall, Board Member, National Infrastructure Planning Association; Gareth Phillips, Lead of the Working Group on the NPS, National Infrastructure Planning Association.

II: Christopher Pincher MP, Minister of State for Housing, Department for Levelling Up, Housing and Communities.

III: Greg Hands MP, Minister of State for Energy, Clean Growth and Climate Change, Department for Business, Energy and Industrial Strategy; Jeremy Allen, Head of Cost of Energy Review Team, Department for Business, Energy and Industrial Strategy.

Written evidence from witnesses:

– National Infrastructure Planning Association [[NPS0010](#)]



## Examination of witnesses

Witnesses: Jan Bessell, Julian Boswall and Gareth Phillips.

**Q85 Chair:** Welcome to this morning's session of the Business, Energy and Industrial Strategy Select Committee. It is our latest hearing as part of the scrutiny of the Government's revised national policy statements for energy infrastructure in the UK. We have three panels this morning. For the first panel, we are delighted to welcome Jan Bessell, Julian Boswall and Gareth Phillips, all from the National Infrastructure Planning Association, to answer some of our questions before we hear from Minister Pincher, the Minister of State for Housing, and Minister Hands, the Minister of State for Energy, Clean Growth and Climate Change.

I will dive straight in with the first question. Jan Bessell, if I could come to you, could you just tell the Committee, as a starting question, what your overall assessment is of the revised draft national policy statements?

**Jan Bessell:** We really welcome the review. It is an excellent start. Overall, it has addressed some of the critical issues that have come forward as increasing challenges. It has sought to update all bar one of the energy suites, which is welcomed, but there are some refinements that could add clarity, help with understanding of the process and the delivery of sound examinations and decision-making, which would also improve everyone's understanding.

It is great to see it. It is great to see the work that has been put in and it does move us forward. There are some technology areas that are missing that we would like to see addressed. It could be a little more ambitious around climate change and the urgent need around that, but it is well done and it has delivered on many of the areas of concern.

**Q86 Mark Pawsey:** I wonder if I might ask how this document aligns with the Government's existing policy commitments, particularly in respect of the energy White Paper and the sixth carbon budget.

**Jan Bessell:** I am just going to pass to my colleague, Gareth Phillips, to answer in the first instance, if that is acceptable.

**Gareth Phillips:** Good morning. Broadly speaking, it is aligned with the energy White Paper and some more recent policy. The team at BEIS had quite a challenge to produce the NPS in the short timescale that was set out by the energy White Paper. It must be recognised that there is a lot of policy reform going on at the moment and it is quite a moving feast, so by the time the revised NPS had been published, quite a lot of policy had changed, particularly net zero and CCUS policy that has been emerging at the same time. There is a need before it is designated for these NPSs to be brought up to date in line with those other policies that have emerged during the last six months since publication.



## HOUSE OF COMMONS

We do have a concern in terms of how closely the NPSs are tied to the energy White Paper. It is a recurring theme from some of the witnesses you have already heard from that notable omissions from the national policy statement include onshore wind, which was very much included in the suite of technologies considered by the energy White Paper. It also features in evidence produced by the Climate Change Committee and the National Infrastructure Planning Commission. It is very much a technology that we expected to see included in the national policy statements.

Tidal range, for example tidal lagoon projects, should have been included. Those have a role to play and, indeed, one has been consented through this process before. Our concerns in terms of how closely related the NPSs are to policy can be fixed. The solution is that the NPSs need to be updated to account for those before it is designated and other technologies need to be included.

**Q87 Mark Pawsey:** You mentioned tidal lagoon. Why do you think it was left out?

**Gareth Phillips:** Perhaps because of the fate of the Swansea tidal lagoon project. That did receive consent. The reason it has not moved forward is because an economic decision was taken by Government as to the cost of the project and the level of public subsidy that would be needed to take it forward, but that is an economic decision. It is not one that goes to the role of the project in decarbonisation nor the planning merits or policy merits of whether or not such projects should be brought forward.

It was excluded because it was deemed to be perhaps a failed project or failed technology, but that is not the case. There are pilot projects in France and further afield that have worked and there are a number of sites around the UK that could accommodate tidal lagoon projects. Given the need for energy, essentially, we need to consider all technologies to achieve decarbonisation. Nothing should be excluded at the policy stage.

**Q88 Mark Pawsey:** As a broader question, perhaps back to Jan, there is always this dilemma: we need these big projects from a national perspective, but there are local impacts. Does the NPS deal with that conflict effectively?

**Jan Bessell:** That is where we could have some additional clarity.

**Q89 Mark Pawsey:** What sort of additional clarity would you like?

**Jan Bessell:** The position of the urgent and compelling need, particularly around the decarbonisation agenda, is expressed in EN-1 but could be given greater weight. One of the things with nationally significant infrastructure projects when they are in examination and determination is that balance, effectively, that has to be satisfied—that the adverse impacts of the proposed development effectively would not outweigh its benefits. In giving clear guidance in the national policy statements and giving the emphasis about hierarchy weight and also the compelling



## HOUSE OF COMMONS

urgent need at scale, because of our carbon agenda and climate change, it needs to be very clear where that comes in the balance.

That does not mean you disregard local impacts. It is what you do about those, how you design an effective project to ensure that you minimise those with an agreeable test for that and how you engage locally to ensure that it is designed as sustainably and effectively as possible. That could be made clearer in the NPSs, particularly EN-1.

**Q90 Mark Pawsey:** Would you like to see made clearer the balance between harm and benefits of a project? Is that sufficiently taken into account within the NPS in your view?

**Jan Bessell:** It is the weight of those. We have lots of assessment criteria around very specific impacts, but we do not have the same exploration and guidance around the beneficial things, particularly in meeting our climate agenda and targets and decarbonisation particularly of the energy infrastructure in a sustainable way that makes it accessible and affordable for all. It is that balancing. Because of the necessity to have detailed criteria around some of those impacts, local impacts and environmental impacts, there is a big focus on that and it tends to skew then the weight of consideration, so it is important to have that set out in a similar way.

**Q91 Mark Pawsey:** Do you think that is likely to prevent some projects from going ahead that really ought to go ahead?

**Jan Bessell:** Yes, I do. It slightly distracts us from the relative weight and how they are directing the consideration. It is also about all people, whether communities, statutory bodies, applicants or those examining and determining, understanding the relative merits of what we are considering and where the urgency and weight should be around that. Because there is a lot of information and a lot of exploration of that detail and those detailed impacts, it tends to become uppermost in people's thoughts, and so it is about resetting that balance to some extent. Mr Boswall may be able to assist us further on this by just coming in around that test and weight.

**Julian Boswall:** What you have to remember is that these documents are absolutely central to the way that applicants prepare projects. Every word is pored over and an applicant is looking to align their project because the decision is made in accordance with the NPS. Exactly how everything is framed is extremely important.

As Jan has already indicated, there is a significant amount of explanation of impact and that means that developers are looking at that. They are seeking to mitigate. They are seeking to compensate where that is appropriate, but in the end the system needs to be clear how that gets balanced against the need, because we do have net zero objectives and a climate emergency. It is inevitable that there will be impacts from these



projects because they are the most complex projects almost by definition. That is why they are NSIPs in the first place.

At the moment what we have said in our evidence, which came from a working group across the members—we see it echoed in other evidence—is that there needs to be a clearer steer on how the balance is ultimately struck in relation to the decision, recognising that there is a presumption in favour of granting these schemes. Yes, there will be some schemes that are refused if they have been badly located or badly designed and badly brought forward. The presumption in favour means that, yes, the developer is attending to all of those impacts and trying to mitigate them, but in the end there is a clear policy that is supporting the urgent need for these schemes and, therefore, the grant of consent.

**Q92 Mark Pawsey:** You have spoken about the need for clarity and certainty, but we know that bringing forward these projects takes an inordinate amount of time and for that reason the Government set up Project Speed with the Infrastructure Delivery Taskforce. Do you think that that proposal is consistent with the principles within the NPS?

**Julian Boswall:** Yes. NIPA has been involved with DLUHC in relation to that and, in fact, our most recent annual conference was working quite closely with the Department, trying to explore those themes. There is an inherent tension between bringing forward the most complicated projects and the speed at which you can do it, so you have to approach these things in a proportionate way, but there is certainly plenty of opportunity to improve the way the system runs at the moment, and the team that is running Project Speed acknowledges that and is looking for changes that can be introduced without legislative change. On the other hand, there are some projects where the sheer scale and complexity means that, if you are going to do them properly, they are going to take the amount of time that they need to do so.

**Q93 Mark Pawsey:** Do you think an imperative to do things quickly might mean they are not done properly?

**Julian Boswall:** Picking an example, in offshore wind there is a considerable tension at the moment between the complexities of the way the Habitats Directive or habitats regs regime operates and speed. At the moment, there are projects that are grappling with so-called potential without prejudice compensatory measures proposals that are being strongly encouraged by the Department, which take time to prepare. Just to pick an example from the draft NPS, we are concerned that Natural England's view is given a bit too much weight in whether and exactly how those proposals come forward at the pre-application stage. There is a significant tension between getting that right and speed, just to pick out one example.

**Q94 Tonia Antoniazzi:** In your written evidence you said that the NPS is inconsistent with the aims of the energy White Paper because it does not support wind or tidal range. What are the potential consequences of not



## HOUSE OF COMMONS

including onshore wind in EN-3 on renewable energy infrastructure?

**Jan Bessell:** I will ask Mr Phillips to start off with the response on this, please.

**Gareth Phillips:** If we look at some of the statistics that are available in terms of the mix of power generation that is needed over time, the National Infrastructure Commission in its 2020 paper had Aurora Energy Research look at a number of scenarios, looking ahead to see how we achieve decarbonisation and the likely level of power production that was needed to do that. These were looking at respectively three scenarios: 60%, 80% and 90% renewables by 2050. The recommended figures were between 56 and 121 gigawatts of solar, 18 to 27 gigawatts of onshore wind and 56 to 86 gigawatts of offshore wind. That is by 2050. Looking at that alone, the onshore wind being excluded from the NPS is a loss of 18 to 27 gigawatts of clean energy by 2050, which we can ill afford.

It is very clear in the energy White Paper that all forms of technology should be considered. There are some very clear references that expressly state that onshore wind should be included and it has not been. That is quite an omission. It probably relates to the fact that onshore wind was removed from the NSIP regime, but it can be reinstated. We must remember that all of this ties back to 2015 and the decision taken that onshore wind perhaps was not as palatable from a political perspective as other forms of technology. That was then; we are several years ahead now and the focus on climate change has come to the fore, so onshore wind, in our view, should be reinstated.

Allied to that is the omission of targets for technology. We have a 40-gigawatt target for offshore wind, but only one gigawatt of that relates to floating technology. If one looks at the recent ScotWind results, albeit Scotland is outside of this particular regime, you can see the amount of floating technology that is proposed as part of that seabed leasing round.

Then coming closer and within the regime potentially, if one looks at the publications made by the Crown Estate in relation to the Celtic Sea offshore wind round, which is all around the south and south-west coast of Wales, that is anticipating pilot projects of 300 to 350 megawatts of floating offshore wind, but with the potential for more commercialised schemes of being up to a gigawatt. You could realise the ambition of the NPS in terms of floating technology just by one project in the Celtic Sea round, and we suggest that is not particularly ambitious.

The next point is that there is no target given to solar technology. It is fantastic to see solar now included in EN-3. It was omitted back in 2011 because it was not thought that solar would reach a greater size than 50 megawatts. That is not the case now and it would be really welcome to see some targets given for how much solar technology we want to see come forward. Again, the CCC looked at this and so have the industry



## HOUSE OF COMMONS

body, Solar Energy UK, and a target of 40 gigawatts, similar to offshore wind, would be appropriate.

One can also look to other technologies, such as pumped hydro and other forms of renewable technology, to see whether or not more ambitious targets can be given. One might say, "If there is an urgent need for energy and we are welcoming all technologies, why is it so important to include a target?" and the answer to that is that, as these large projects come forward, those who are opposed to them for whatever reason will argue, "We do not need this next project, because there has already been a bigger one down the road". If we have targets to track against, it will make it absolutely clear to all participants in the regime where we sit along the trajectory to meeting the targets required to achieve the policy ambitions by 2035 and by 2050 in terms of decarbonisation.

**Q95 Tonia Antoniazzi:** Can you describe in more detail the benefits of tidal range? I know, Gareth, you have spoken about the Swansea Bay tidal lagoon. I am the Member of Parliament for Gower, so I was very disappointed with the Government's decision not to go ahead with that project, although understandably there were some concerns at the time. I know that the Welsh Labour Government and Swansea Council are looking and continuing to work, regardless of the UK Government decision not to be supportive. Can you go into more detail about the benefits of tidal range and how the inclusion of that technology in EN-3 would improve the NPS?

**Gareth Phillips:** It is very exciting to see the new proposals coming forward for that project. Decisions aside, as renewable energy practitioners, we all wanted to see it go ahead and still do. There is the potential for about another seven or so projects around the coast.

The benefits are huge, not just in terms of harvesting clean energy, essentially with the turbines that are installed in these things, but in terms of the wider benefits for communities. There are amenity, recreation, leisure, tourism and all sorts of opportunities to harness with those.

If we draw a comparison with other technologies, one might say for a solar park, "What community benefits? How can life be improved for those who are hosting solar parks?" One can look at biodiversity. One can look at education. One can look at how the parks can be incorporated within the wider recreational scheme, but when you look at a tidal lagoon project it is easier to see the tangible benefits. You can imagine people using the water within the barrage for leisure purposes. One can imagine walking round the barrage and taking views out over the Gower in this instance. One can imagine tourism facilities associated with all of that located on the edge. Those projects are not just about delivering renewable energy. There is a much bigger benefit for all.

**Jan Bessell:** Gareth, is it also worth just addressing for the Committee the constancy of the power that is generated through tidal? The tidal



## HOUSE OF COMMONS

range is a constant, and so you are guaranteed that production as a constant, whereas it is less variable than some of the other renewable technologies. Do you just want to add, so the Committee have that context as well?

**Gareth Phillips:** Yes, thank you, Jan. This is about intermittency. The main thing with renewable energy, whether it is, for example, solar or wind, is that there is an obvious requirement for the particular source to be available in order to generate power. At night solar parks are not going to be delivering much without co-located batteries and when the wind resource dies down it is a similar issue for offshore wind. Battery storage and energy storage can help with that, but, as Jan alludes to, with tidal range this is one form of clean energy where it is a constant power production, because the tide is going in and out during the day, and, therefore, it is a good renewable technology. That is not to say that there are bad ones, but it does come without the issue of intermittency.

**Chair:** We will need to try to keep our answers a little tighter, just because of time.

Q96 **Andy McDonald:** I can be mercifully brief, because I wanted to ask Jan about targets but Gareth has given a very eloquent answer in that respect. Can I just take it as read that the view is that figures ought to be put into the NPS in terms of these different technologies? In doing so, I wonder whether Gareth could give some better information about floating wind, because the target of one gigawatt, if I am interpreting this correctly, is deemed not ambitious enough. I do not know whether he gave that in his previous answer, but could he give some idea as to what would be an appropriate target for floating wind?

**Gareth Phillips:** I do not think it is right to suggest a target on this. That would require some research and consultation to get the target right, because you do not want it too low and you might not want it too high, but look at the projects that are in the pipeline now. I use the example of Celtic Sea, where Crown Estate is envisaging the smaller projects to be, say, 300 or 350 megawatts and the larger ones to be one gigawatt. If one imagines that just one sea round could bring forward four to five gigawatts of floating wind, it is quite clear that the target is not sufficiently ambitious in the NPS.

There was not an intention to exclude floating wind or cap it at one gigawatt. It is a research issue; perhaps available evidence at the time before the Department did not give it a steer as to what the right target should be, but no doubt through the consultation responses, it will see that one is required or it could be more ambitious. Further consultation would yield a very good target.

Q97 **Mark Jenkinson:** As a change of direction, there is a very quick one from me to Jan on delivery of future infrastructure. How do the wider reforms to the nationally significant infrastructure projects regime sit alongside or complement the energy NPS?



**Jan Bessell:** We have now had 10 years of operation of the Planning Act 2008, so we have hit steady state and probably gone beyond. It is time, with the hindsight of that practice, the learning and the experience, to take it on a further step and improve. This is how a lot of Project Speed can be delivered: by making it more effective and also taking some of the unnecessary overly procedural elements of the infrastructure consenting regime and streamlining them more and making them more targeted and effective.

The NPSs are absolutely critical to the delivery. The Planning Act only really works in delivery if you have strong, effective and up-to-date policy across all the infrastructure types, and the energy suite of NPSs are just one limb of all of the different areas of nationally significant infrastructure projects. You will be aware that there are other fields of project that come within the Planning Act 2008, for example water infrastructure. We see the new water NPS is still in draft and still to be brought into effect, because it is the last part of the regime to be brought in.

The energy suite was one of the first, and so making it up to date and having its effective purpose is how we will deliver. In terms of the reforms, that sits hand in hand. It does not replace and it is not about putting that in the NPS. It is complementary in making the whole regime effective and making it deliver.

Q98 **Charlotte Nichols:** In your written evidence you mentioned Project Speed and said that there is a greater role for the NPS to minimise delay in the delivery of major infrastructure projects. I am interested to know to what extent the revised NPSs give the necessary direction required for future infrastructure development and how they could be improved.

**Jan Bessell:** That is around clarity. As we stated right at the outset, the primary things that applications are determined against are national policy and national policy statements. In effect, there is a presumption in favour of the national policy statement, a bit like we see the presumption in favour of the development plan. For national infrastructure, that is the equivalent policy position, and it is the starting point unless there are other things that outweigh that or it is unlawful, effectively.

The greater direction, focus, identity of weight and the tests to be met give clarity of the testing and examination. Everybody who is involved, whether that is communities, local authorities, statutory bodies or applicants, understands the rules of engagement, effectively, what they should focus on and what can be rightly expected. The greater the clarity and direction around that, the better understanding we will have, and we will deliver better projects, we will reduce the amount of conflict and time spent in examination and preparation, and also we will deliver better outcomes.

The more effective we can make that, the greater the clarity that we can give. The more longevity we can give to those policies in terms of futureproofing and allowing for innovation and technologies not yet



brought forward with generic policy that would apply, the better. That reduces the amount of work that Government also have to do when they are considering keeping the policy statements up to date and renewing them.

**Julian Boswall:** Could I give an example on clarity?

**Charlotte Nichols:** Yes, of course.

**Julian Boswall:** This is a very real issue for projects at the moment, again in offshore wind. In the current wording across EN-1, EN-3 and EN-5, there is inconsistency as regards the expectations for so-called grid co-ordination between different projects. There is also a policy inconsistency between what is being said at the moment in the draft NPSs and where a parallel and major review—the offshore transmission network review, being led by Ofgem—is at.

A number of other bodies submitting evidence to this hearing have made the point that, with the current lack of clarity as to what exactly the expectation is for that co-ordination, and remembering that there are some very long lead-in times for projects and decisions being made now for applications that might be being made in 18 months or two years' time, if that clarity is not resolved quite significantly on this particular issue, that is going to cause a real issue for projects right now.

Q99 **Andy McDonald:** On a related matter, Jan, I wonder how the NPS could be revised to ensure that the NSIP regime is adequately resourced to provide the opportunities for communities impacted by new energy infrastructure, so that they can directly engage in the consenting process at all stages. Do you think it could be revised to give effect to that?

**Jan Bessell:** Funding overall and the right resourcing is an area that Government need to grapple with, both inside the NPS as far as that is relevant and also in delivering against the overall regime. You will have seen from our full written submission that we particularly reference appropriate resources for local authorities and also statutory bodies, which are key to making sure the right information is brought forward and tested.

In terms of communities, the NPS could be clearer on the expectation of how to support and bring communities into the process. We have planning performance agreements, which are mainly used for local authorities, but we do not have any independent support for local communities, unless a particular very significant application brings in that resource and we have seen that recently with Sizewell new nuclear power station. The applicant there paid for planning aid resource to come in and work particularly with the parish councils as community agents, effectively, and the wider communities that were particularly locally affected, but that is very reliant on an individual applicant and of a really significant scale, even within nationally significant infrastructure.



## HOUSE OF COMMONS

Just relying on that as the mechanism is quite hit-and-miss, in effect, and also it needs to be proportionate in terms of the resource and the application being made. It is one of the things that could be brought forward through the wider infrastructure reform that is being undertaken and would really benefit from having that independent resource available.

In terms of the policy ask, there could be greater direction around what the expectation is of the applicant in that position and also in terms of the roles, engagement and expectations around that. In other words, there could be a slightly directional position around expectation and requirements, which could be appropriate in the NPS policy context without stepping into trying to, in effect, rewrite the guidance and legislation that sits outside of the national policy statement, which is complementary to and informs it.

**Q100 Charlotte Nichols:** Just to return to the point there that you made, Jan, around Sizewell C, clearly this is something that is nationally important infrastructure, and I will declare an interest as the Labour co-chair of the all-party parliamentary group on nuclear. It strikes me that something that is nationally important infrastructure being subject to the whims of a parish council is slightly perverse. Is this something that you think needs to be addressed? I am all for local communities having a say in developments that affect them, but at what point does the national significance of such a project outweigh the parish council?

**Jan Bessell:** The exercise was about making the process and how to engage with it. It was about upskilling the communities and the parish council and making the process accessible to them in a way that meant they could contribute effectively. It is about capacity-building in the community to make sure that the community is able to engage most effectively and that any underlying concerns are properly understood from a community perspective. It is not to say that the ask of the parish council becomes the highest weighted element.

Rather than the usual people who put themselves forward to be representative voices, you get a wider representative reach, so people who might want employment in the area have a voice. By that outreach and engagement, you reach a wider constituency, and also we are looking at the benefits as well as the potential local harmful impacts. People tend to focus on the harmful impacts and not look at the benefits that something like a Sizewell brings in terms of employment, skills, opportunity, regeneration and funding into that locality and community. It is about wider reach and planning with the community, even at this extraordinary scale, when we have such a need. It is about making that opportunity available, and also much wider representative reach.

**Q101 Richard Fuller:** I would like to ask a question about agricultural land value, biodiversity net gain and some of the evidence provided on statement 3 on renewable energy infrastructure. As I reviewed it, it said that agricultural land value should not be the predominant test in site selection, confirming that, and that it should be acknowledged, secondly,



## HOUSE OF COMMONS

that there is an inverse relationship between agricultural land value and biodiversity net gain. Could you, in layperson's terms, just tell us what your thinking is for making that confirmation and statement about the inverse relationship and what your expectation is about how the NPS could be clarified to take account of your points?

**Jan Bessell:** I am going to ask Mr Phillips to just lead off on the particular clarification that you are seeking.

**Gareth Phillips:** What we are talking about here is agricultural land classification. Farming land across the UK is generally subjected to a test that works out whether or not it is best and most versatile for crop production. Generally speaking, if the classification is closer to 1, so if it is 1, 2 or 3a, it is categorised as best and most versatile, so the most productive, and then 3b, 4 and 5 are sliding down the scale into that which is not particularly productive.

When we look at biodiversity net gain, the inverse relationship we are talking about is that the more intensively farmed land has been, it tends to be that, when you take it out of that production and you then have an appropriate land management technique that introduces particular types of grasses, wildflowers, etc, you get a very high biodiversity net gain yield. The more intensively it has been farmed, the higher the percentage of biodiversity net gain when it is moved across.

The inverse of that is where land has not been intensively farmed because it is generally poor quality, it has already perhaps been laid fallow and not used over time, and so natural habitats are created and the existing baseline for the land is quite high in terms of biodiversity. Therefore, the net gain that is achieved by moving that land across into, say, solar production is a lower amount. That is one dynamic of it.

In terms of agricultural land not being the predominant test, the reason for this is that when one is doing sites for selection for solar, first of all, you have to consider the irradiation levels, so where you are going to find the resource. You then need to consider how you are going to connect to the grid and where the available grid transmission connection capacity is. Then you have to find the land. Not all landowners will be willing to have solar or any other type of development on their land, so you have to find those who are willing to do that. Those are the three crucial tests when you are starting off.

As part of that, you then should consider the alternatives. If you have two parcels of available land and one is top-quality agricultural land and the other is poorer quality, then yes, as part of the design of the project one should be driven towards the poorer-quality land. That is acknowledged, but it should not be the predominant test and there should be greater clarity in the NPS and direction given. If you are an inspector and you are trying to work out what the recommendation is, you say, "I understand it is not the predominant test, but how much weight should I put on this?"



## HOUSE OF COMMONS

That then needs to be considered in the context of wider policy, like the rewilding payments that are being given to farmers at the moment to take land out of agricultural production and turn it into new habitats for particular types of technologies. If that is the direction of policy towards farming, agriculture, building back a green economy and so on, can we not say more in the NPS about how solar projects can work alongside that? The resounding objection to solar at the moment is more about loss of agricultural land than it is about landscape and visual impact. That needs to be clarified.

Q102 **Chair:** Jan Bessell, you said earlier about the frequency of updates to the NPS. How frequently do you think they ought to be updated?

**Jan Bessell:** If you look back at Hansard when the Planning Act was going through, the contemplation would be that there would be a review at least on a five-year basis and the general consensus, if you look across the submissions, is that is a pretty good period. If you look at the NIC response and their review frequency, it very much aligns with that sort of review.

A review does not mean that you have a wholesale change. It is just you want to keep it up to date and make sure you have a frequency that delivers certainty but also is regularly undertaken to make sure they are effective and are up to date. It can be amended in part and assesses whether there is a need for a wholesale review, pretty much as we have at the moment, or whether there are some things that can be added additionally or that may not be working as effectively and greater clarity can be delivered.

Our position is that five years would be beneficial. Any significant change should always be kept on the radar and there should be a mechanism to take that into account and adapt as needed within the intervening periods as well. The mechanism or ability to be able to partially review or review should always be there as and when the need arrives. In terms of a regular activity to ensure it is fit for purpose, effective and is looking forward in terms of innovation and change in terms of particularly the climate agenda, it is very important that we have a built-in review and resource that supports that.

**Chair:** That brings the first panel to an end, so thank you to Jan Bessell, Julian Boswall and Gareth Phillips from the National Infrastructure Planning Association for your submissions this morning. We are grateful to all of you.

### Examination of witness

Witness: Christopher Pincher.

Q103 **Chair:** We are now moving on to our second panel, which is a short panel



## HOUSE OF COMMONS

with Minister Pincher from the Department for Levelling Up, Housing and Communities, to answer some questions about how the energy national policy statement work relates to planning changes and delivery through the planning system. Good morning to you, Minister Pincher.

**Christopher Pincher:** Good morning, Mr Jones. I am conscious that I am probably the amuse-bouche between your main courses today.

Q104 **Chair:** I look forward to Minister Hands as the main course afterwards, as I am sure he does. Minister Pincher, please could you explain to the Committee how you and your Department work with the BEIS Department in updating the energy national policy statements?

**Christopher Pincher:** I am grateful for that question. We work very closely with BEIS and indeed other Departments to ensure that NPSs are relevant but also clear and consistent. I chair a meeting every few months with other Ministers, but particularly with the leads in the appropriate Departments—BEIS, Transport, Defra and the Treasury—to make sure that the work that we are doing to update NPSs, and then as they feed into the NSIP programme, is done effectively and clearly.

Q105 **Chair:** You mentioned the NSIP programme. We understand that you are doing a review of the NSIP programme and looking to potential reforms. The energy White Paper and the energy NPS are a lot of work to do over the years ahead. What reforms do you anticipate in the NSIP process to ensure that we can get all of these big projects through the planning system and delivered?

**Christopher Pincher:** All I want to do is to ensure that some projects can be speeded up by at least 50%. The crucial work, therefore, at the front end of the process is to get NPSs up to date, because a clear NPS that reflects the policy direction of the Government at the time gives every player, whether they be developers, communities or local authorities, an understanding of what is expected in and from individual NSIP applications. That then means that the process of delivery of that application can be that much more quick and clear, without the risk of administrative delay or potentially the risk of judicial review.

Q106 **Chair:** Could you tell us about the timescales on NSIP reforms? What are you working to and when will potential changes come forward?

**Christopher Pincher:** I hope to bring forward some further information on where we are landing later this year, so I suspect that there will be a further opportunity for you to quiz me during the balance of 2022.

Q107 **Chair:** Unless the *Times* reports are correct and you become the Government Chief Whip.

**Christopher Pincher:** Never ever believe unattributed tips from newspapers, unless the tip comes from your bookie.

**Chair:** In which case we will look forward to seeing you maybe later in the year.



## HOUSE OF COMMONS

Q108 **Mark Pawsey:** Minister, I just want to pick up on the bit about speed. You mentioned earlier that one of the objectives of the NPS is to speed up projects by 15%, but we know that an onshore wind application can take 10 years, so we are going to go from 10 years to eight and a half years. Is that sufficiently ambitious?

**Christopher Pincher:** I am conscious that there are delays in obtaining consent for NSIPs. We are working, as I said to Mr Jones, closely with other Departments, particularly BEIS in this instance, to analyse why those delays are taking place and, therefore, provide evidence for our programme of reform, both within DLUHC, but also across Departments. If we are able to deliver a programme that expedites the NSIP programme, then we will be able to reduce very significantly, as I say, by 50%, the time it takes for a—

Q109 **Mark Pawsey:** You think we could get an onshore wind application down from 10 years to five years.

**Christopher Pincher:** We want to make sure that some projects are able to achieve that very ambitious timetable and we will say something further about that later this year.

Q110 **Mark Pawsey:** Is the imperative here the net zero ambition of 2050 or is it just a frustration that things take too long?

**Christopher Pincher:** I would not want to call it a frustration, Mr Pawsey. It is a recognition that we need to move much more speedily in some nationally significant infrastructure programmes, and we believe that by reforming NSIP in the way we are describing, we will be able to do that. I am very conscious that I sat on this Committee in its previous incarnation back in 2010, and I remember then the importance that was attached to reducing coal energy generation. We were very successful in taking out what was at that time 45% of our energy generation into zero now. Making sure that we have a mechanism that delivers speedily is at the forefront of our agenda.

Q111 **Tonia Antoniazzi:** The energy NPS is one part of the planning process for future energy infrastructure. The Institution of Civil Engineers has told us that the NPS should not be expected to do all the heavy lifting on its own. How well do the revised NPSs fit in with the other aspects of the planning system?

**Christopher Pincher:** If the Institution of Civil Engineers meant the energy NPS, then it is absolutely right, because we need to make sure that the NPSs interconnect effectively. There are other important NPSs that may have a bearing on energy infrastructure, such as transport and wastewater. Defra's NPSs may be another example. We want to make sure that we are achieving more effective and efficient consistency across the NPS landscape, so in that context the institute is absolutely right.

I should not be specific about the programme that BEIS has. I am sure that is something that my colleague, Greg Hands, will want to talk to, but



I will give you a hypothetical example of the way an NPS can contribute. This is a hypothetical one. It applies to another Department; it is Transport. Should it be determined that one way of improving the haulage infrastructure of our country, where we know we have had difficulties in the recent past, is by improving the infrastructure, truck stops and the like around the country, which will attract more people into the industry, and if that is regarded as nationally significant, then putting that into their NPS gives clarity to local authorities, developers, the haulage industry and those groups that may consider judicial reviews as to what the Government's policy is and, therefore, how they should respond to it.

**Q112 Charlotte Nichols:** Project Speed is part of the Government's stated strategy to rebuild Britain and fuel economic recovery by accelerating investing in core infrastructure across all sectors, including health, education, town centres, energy, flood defences, waste, roads and rail. Can you please outline for the Committee how the NPS supports this and expedites the delivery of new clean energy infrastructure projects?

**Christopher Pincher:** Again, it is probably proper that I defer to Greg Hands to give the specifics that the Department will employ to deliver those objectives, but, as I described in my previous answer, by having a clear NPS that specifies what the Government's objectives are, what their policies are and, therefore, what individual applications should include, that speeds up the process, it removes administrative delays, it can reduce the scope for judicial review and, crucially, it means that all players, whoever they are, understand what policy is.

**Q113 Andy McDonald:** Given what you have said, Minister, do you think that the revised NPSs provide the right planning process for the delivery of net zero?

**Christopher Pincher:** There is more that we can do and that is why we are working closely across Departments to achieve that end. Again, if I can give you a practical example, Mr McDonald, in my Department, DLUHC, we are focused on reducing the output of carbon dioxide from the building of new homes and we have the future homes standard that we will introduce in 2025 that will require new homes to be built and be at least 75% more carbon efficient than they presently are. That requires the development of products to put into the homes. It requires heat pumps and the like to make sure that those homes have better heating systems.

We need to make sure that that objective that we have in our Department is tracked back to, among other Departments, BEIS and its policies and its NPS, because training, for example, and materials are within the bailiwick of BEIS, so making sure that BEIS's NPS fits into the outputs of our NPS and our policies is crucial to make sure that the system works entirely.

**Q114 Andy McDonald:** How do you think the NPS can be revised to ensure



that the NSIP regime is adequately resourced to provide opportunities for communities impacted by new energy infrastructure to directly engage in the consenting process at all stages?

**Christopher Pincher:** As I say, by having up-to-date NPSs, the starting point of an individual NSIP project is more clearly understood. The NSIP regime itself has staging posts throughout it to ensure that developers are discussing their proposals with local communities and local stakeholders. We have also said more broadly, as you will know, that we want to digitise the planning system, so it is much more navigable by everyone and so that interested parties, whether they be a local community or whether they are a stakeholder like a heritage group or an environmental group, are much more able to see what is proposed. I can envisage opportunities to expand that digitisation scope into the NSIP regime, but that is something we would need to look at.

Q115 **Andy McDonald:** Will there be resources beyond digitisation?

**Christopher Pincher:** We have said as part of our planning reform that we want to make sure that local authorities are effectively resourced for the work that we are going to require of them. Part of that resource is the digitisation of the process, because you will find that planning is a very labour-intensive process. There is a lot of PDF ephemera in the process, and it does soak up a lot of planning officials' time. If you digitise the process, you give them much more headroom to think strategically rather than deal with tactical applications. The same approach can be applied to NSIP and I am very keen on looking at that.

Q116 **Chair:** Minister, you might have heard the evidence we received in the previous panel about the potential for reforms to the NSIP process in terms of environmental impacts for energy projects. Do you think the right weighting is given at the moment in the NSIP consenting regime for the urgency for renewable energy infrastructure, for example, in locations where there may be environmental impact, or do you think that reforms will be needed to that?

**Christopher Pincher:** By making sure that we have updated NPSs as the starting point of the process, we can promote new technologies, like carbon capture and storage, solar or onshore and offshore wind, and thereby make sure that the NSIP process, which looks at individual applications and decides whether or not consent should be granted, can be made speedier and more judicious.

I have to belabour this point, because one of the challenges is the potential lack of clarity, the potential lack of relevancy and the potential for judicial review if you have not got a good NPS and that stymies individual applications as they go through, so getting the NPS right is absolutely right. I saw Jan Bessell give evidence to the Committee earlier on about timescales. The five years that she outlined is right, because we have to balance making sure that an NPS is relevant with its clarity, so that all players know what policy is and what they should do. If there is



uncertainty, everybody sits and waits. We need to make sure we get the balance between clarity and relevancy right, and I think five years is it.

Q117 **Chair:** In short, there will be changes to the NSIP regime that will speed up the delivery of NPS priorities, but we will need to wait to hear from you later in the year.

**Christopher Pincher:** You will hear from me later in the year.

**Chair:** Thank you—amuse-bouche complete. Thank you for your time.

### Examination of witnesses

Witnesses: Greg Hands and Jeremy Allen.

Q118 **Chair:** We move now to the main course, panel 3, with Minister Greg Hands, the Minister of State from the BEIS Department responsible for energy, clean growth and climate change. This is your first visit to the Select Committee since your appointment, Minister Hands, so welcome to you. To kick off, we just heard that we think the energy NPS ought to maybe be revised on a five-yearly cycle. It has been 10 years since the energy NPS came through. Why has it been 10 years on this occasion?

**Greg Hands:** Can I start off by introducing my official, Jeremy Allen, who is head of the energy portfolio office at BEIS? Thank you for giving me this opportunity, four months into the new role, to appear before your Select Committee. I do not think I have ever appeared before the BEIS Select Committee before in previous roles, so thank you.

The feeling is that the existing NPS has worked well. It has provided, as we know, the legal framework for planning decisions at the national level, balancing the need for new infrastructure against the impact of such infrastructure. We are the first of the NPSs, effectively, to be reviewed or revised. It was announced in the energy White Paper December 2020 that we would be doing this.

In terms of the frequency, notwithstanding the fact that the existing NPS and the process has been successful, I think we would also agree the frequency needs to be more often than every 10 years. You have just heard from my colleague, Minister Pincher, suggesting that five years would be more appropriate. That is certainly something that we are looking at. We could also add in as and when the situation might demand as well. Energy, as you will know, Mr Jones, is quite a fast-moving area. If you look at where we were in 2016, shall we say, compared to 2011, it is a very fast-moving area. Every five years sounds to me a reasonable approach, perhaps also added in as and when the situation demands.

Q119 **Chair:** We have had the energy White Paper you have mentioned and the sixth carbon budget from the Climate Change Committee. Are you content that the energy NPS aligns with the sixth carbon budget?



**Greg Hands:** Yes, I am, although it is important to get the right distinction between the overall policy and the overall policymaking process, which, in all the Government Departments I have been in, is probably most structured in BEIS. The actual policy setting through different strategies, starting with the Prime Minister's 10-point plan, through to the energy White Paper, through to the net zero strategy, accompanying strategies like the hydrogen strategy, the energy digitalisation strategy, et cetera.

We have quite a good, strong policy structure, but that should be treated as having an impact on the planning structure and how the NPS is written. We also have to be careful that the NPS does not restrict things to fit directly Government policy. That is why, for example, we do not outline targets for delivery in the NPS. That is more properly done through things like the net zero strategy. In the 10-point plan and also in the net zero strategy, we set, for example, a target to have 40 gigawatts of offshore wind by 2030. That will be reflected in the revised NPS, but we do not state specific targets in the NPS, because that is not the most productive way of getting the planning regime to work for you.

Q120 **Charlotte Nichols:** Minister Hands, for what reasons were the sector-specific NPSs retained? Did you assess the benefits of moving towards having a single NPS for infrastructure, with sub-sector aspects or annexes for different energy sectors, as has been suggested by the Institution of Civil Engineers and NIPA? Would moving to sector annexes make it easier to publish future updates and make those updates more frequent?

**Greg Hands:** That is an interesting question. We heard from Minister Pincher earlier that DLUHC is the custodian of the NSIP regime. A lot of that would be down to them a little bit more, in terms of considering an overarching NPS.

On our role, we actually put this, if I am not mistaken. My official, Mr Allen, can correct me if I am wrong. We put in the consultation, "Are there needs to change the structure of the NPSs that we have outlined?" I do not believe that this came back as an issue in the consultation or that anybody raised any significant objections. I will bring in Mr Allen to tell us if there were consultation responses in that regard.

**Jeremy Allen:** We have not seen yet a consultation that has addressed whether it is a problem to have sector-specific underneath the overarching statement, no.

Q121 **Andy McDonald:** Minister, the National Infrastructure Planning Association recommended that targets be set in the NPS for solar and other technologies, pumped hydro storage for example. In EN-1, it states it is not the Government's intention to present any figures or targets in the NPS. We heard evidence earlier that the failure to do that leads to some missed opportunities. We had a discussion about floating wind, the fact that that could be achieved by one gigawatt, one single platform, as it were. You have made the position clear that it is not where you are at,



but will you not concede that there is a body of opinion that thinks that is the right way to go? Is that something that you could reconsider?

**Greg Hands:** Certainly, we will look at the consultation responses in this space, but my gut instinct here is that targets set through the NPS would not assist in delivery. We have been absolutely clear in the policy frameworks that we have set out, for example the net zero strategy, on the importance of different technologies and how we might go about delivering them. You mentioned floating offshore wind, for example.

We have other ways in Government of facilitating the delivery of and developing nascent technologies, for example the contracts for difference auction, which we kicked off on 13 December, which is a huge opportunity. It is as big as the three previous CfD auctions and there is a dedicated pot within that for floating offshore wind. We have different ways of outlining the importance of a new technology.

Within the NPS, I would prefer us to set out a broad regime, encourage market forces within that regime to come forward with different technologies and have a proper mix, for example in our renewables. It is really important for us to make sure there is a good, diverse mix, particularly as some of these technologies are relatively nascent. We are not exactly sure how they are going to scale up. For example, we are not exactly sure how tidal will scale up on a cost-effective basis. Floating offshore wind is similar. It is better that we are not prescriptive within the planning regime, or set targets within the planning regime, but do that separately, through Government policy and, when it comes to putting money on the table through the CfD auction process, doing it that way.

Q122 **Andy McDonald:** I get your point, but is there not a risk that the failure to set targets will actually do the very thing that you do not want to happen? It will not encourage people to come forward, unless they know where they are batting and where the opportunities lie. Is that not something that you could put into the mix in your thinking? If targets are available, that will encourage people to come forward into those markets.

**Greg Hands:** We set targets. We just do not set them through the NPS regime. We have the 40 gigawatt offshore wind by 2030 target. That is very clearly understood by the industry. As I say, we will set sections within the CfD auction process, for example the £20 million dedicated pot for tidal. We will send signals that way rather than through the planning regime.

We will have a look at the consultation responses. I am not aware, in the last 10 years of absence, of any kind of critique that the lack of targets have led to a lack of delivery in these spaces. There are a number of reasons why different technologies have progressed much better and more quickly than others, but I am not aware of any mention of targets within the NPS regime as being one of the background reasons for that.

Q123 **Mark Pawsey:** You have just spoken about new technologies coming



forward. You spoke about the introduction of floating wind. My question is to do with the flexibility and the length of the NPSs. Is it sufficiently futureproof and does it allow for new technologies to come through? You spoke about a five-year review. We heard about that in the previous evidence session, but there are lots of things in Government where there is an intention to review at year five and it ends up being much later. Are you happy that, in this dynamic sector that you are responsible for, with new methods of power generation coming forward at pace, the outline has sufficient flexibility?

**Greg Hands:** It is a great question. All of these things are ultimately going to be a balance, with durability and certainty on the one hand. We are setting a framework vis-a-vis flexibility and the need to be up to date. In that, there will always be a tension in any planning framework process. I remember when the Act came in in 2008 and this was definitely part of that debate.

However, our amended EN-1 includes new sections clearly setting out the need, for example, for new CCUS, carbon capture, utilisation and storage, and hydrogen infrastructure. We have not yet given more prescriptive steers on that, because both of those are still developing technologies. We have to be careful not to restrict the development of that technology through the planning regime.

Q124 **Mark Pawsey:** Can I pick you up on that point? How would including these new technologies restrict their development?

**Greg Hands:** I mean in terms of if we were to be more prescriptive about the new technologies, what sorts of aspects ought to be favoured in the planning regime and what aspects should be disfavoured.

For example, just in November, I went to Europe's second-largest onshore windfarm, in a place called Whitelee, just south of Glasgow. There, they are using the excess, for want of a better term, of onshore wind that can be produced when it is very windy for potentially producing hydrogen from that. That is a relatively nascent thing. It is an exciting new project, but I would not want the planning regime yet to be prescriptive in favour of that or indeed against something like that.

Q125 **Mark Pawsey:** You would want the planning system to encourage it.

**Greg Hands:** Yes, but, in terms of something that is developing, we have to make sure that the planning regime allows a large degree of flexibility. There are different ways of producing hydrogen, as you and I know. You do not necessarily want the planning regime to be too prescriptive about which ways we prefer.

Q126 **Mark Pawsey:** Are you confident that the five-yearly review will take place?

**Greg Hands:** Am I confident that it will take place? That will be a decision for the Secretary of State. We are reviewing how often the



## HOUSE OF COMMONS

review should happen. That sounds like an awful bit of Government gobbledegook—to have a review about the review—but whether five years is exactly the right time or, potentially, additionally or alternatively, as and when it becomes necessary. There is also an argument to do it that way. Either way, we can see that 10 years is not frequently enough.

**Q127 Mark Pawsey:** You just referred to hydrogen and CCUS. Energy UK told us that they should be in the statements. You are saying that that can happen on review, or is there some way that these technologies can be included immediately?

**Greg Hands:** If I am not mistaken, the amended EN-1 includes new sections, clearly setting out the need for CCUS and hydrogen. I am keen not to be too prescriptive on exactly how we get there until we see the experience of the technologies, how they scale up and what planning challenges they might face. They are in.

**Q128 Mark Pawsey:** With the sector you are responsible for developing as fast as it does, if you are constantly waiting to see how a new technology works out, we will never adopt the document.

**Greg Hands:** We will adopt the document. There is the ability to change or amend the document. I might bring in Mr Allen in terms of this, in terms of exactly how that process changes, or the Secretary of State's ability in between reviews, or, if there is not a review due for some time, exactly how that would be done, if an urgent need to change something arose. Certainly, if there is an urgent need, we have the ability to do that. I will bring in Mr Allen to describe exactly how that process would work.

**Jeremy Allen:** It is as the Minister described. EN-1 recognises that, in our net zero energy future, we need CCUS, hydrogen and other technologies. We recognise that overarching need. We have policies and programmes that will start to deploy those technologies commercially, which are rolling out. As the Minister said, we will want to see how that looks by way of business models and the regulatory frameworks.

At that point, you have options. You could supplement your existing NPS with guidance and use that to refer project sponsors to guidance that captures the state of play. Clearly, as the Minister said, he might have the option, at a point of review, to say, "Now is the time to bring all of what we understand about deploying that particular technology through to a dedicated NPS, alongside the other sector-specific NPS that we have". That is a decision he could take in the future. At the moment, we do not believe that what we have done is a barrier to getting off the ground with these emerging technologies.

**Q129 Chair:** Could you produce what I suppose we call technology roadmaps with, say, the chief technology officers at the companies developing these technologies, so that we understand where in the innovation cycle they are and how they anticipate the scale-up, integration and cost point chronology aligns with the national policy statement? Do you just take a



## HOUSE OF COMMONS

particular view based on written submissions to a consultation at the review point of an NPS about that?

**Greg Hands:** That is a good question. In terms of producing specific roadmaps, we will in particular sectors. For example, we have a commitment to produce a nuclear roadmap this year. In terms of specific technologies, so whether we set a roadmap for hydrogen or CCUS, we published the hydrogen strategy in August 2021, which I would expect would answer most of those points.

In terms of working with delivery partners, with businesses, we have an ongoing dialogue. We have to be careful to make sure that it remains a competitive process between private sector companies. There are areas of energy that are relatively easy to enter. There are areas that are a lot harder to enter. We need to also be careful of the ability to maintain a balance between having multiple commercial competitors vis-a-vis setting up a specific dialogue with that specific company.

Q130 **Mark Jenkinson:** I look forward to the Minister's nuclear roadmap. National Grid told us that it would welcome more certainty for developers and communities that would host the infrastructure in the NPS. It referred to the work that BEIS and the system operators are doing on holistic network design. Do you plan to hardwire, in its words, the result of that report into the NPS, in order to provide that certainty on forthcoming projects?

**Greg Hands:** Thank you for your kind words on nuclear. From the recent Nuclear Energy (Financing) Bill, Mr Jenkinson, I know you have very strong views on this, and the correct views, in my view.

The holistic network design is being prepared by NGEN, the National Grid ESO, as part of its wider offshore transmission network review, which I think you have already referred to. That has not yet been agreed and you can only put in an NPS regime Government policy that is policy, that has already been agreed. That will be an iterative process. We will look at how a reference can be achieved in the NPS to the offshore transmission network review.

Q131 **Richard Fuller:** In its evidence to this Committee, the National Grid said that the NPSs cover the local negative impacts of individual schemes without giving sufficient weight to the overall national benefits and particularly local environmental impacts. Do the revisions more fairly balance the need for the delivery of the new infrastructure with these environmental impacts?

**Greg Hands:** They maintain a good balance. One of the most important things in my job is keeping community support for the delivery of energy infrastructure. That can be anything from nuclear power stations, through to grid connections, through to issues relating to offshore wind connecting the shore and the installations there. We have an interest in making sure that that balance is the right one, commensurate with the swift, speedy, efficient delivery of infrastructure. I believe they strike the



## HOUSE OF COMMONS

right balance and will enable planning decisions to continue to be made at the required pace.

You heard from Minister Pincher earlier about the overall review, project speed, led by DLUHC, to speed things up, which we very much agree with. We also have to make sure that that balance is preserved. Ultimately, I need community support across a lot of this delivery of infrastructure. Life would be made very difficult if we lost community support, particularly with some of these really ambitious targets.

We are already the world leader in offshore wind capacity. We are talking about a quadrupling of that in the next decade. That definitely has big potential to make an impact on those communities where offshore wind connects. I am keen to, if you like, ride both horses, more efficient, speedy delivery of infrastructure, but it is also very important for me to keep community support.

**Q132 Richard Fuller:** You will be aware that, when trying to ride two horses, if the horses start moving away, your legs start to get rather stretched. You will be aware that many colleagues here often have to balance locally issues about infrastructure, with the effect on local environment and biodiversity. Those issues are going to get even more important. In my own constituency in north-east Bedfordshire, the whole issue about biodiversity about housing is important. How confident can you be to this Committee that, in your review, this balance is going to be right, because, if it is wrong, you may fall off one of those horses?

**Greg Hands:** That is a fair question, although this is a sector, particularly on renewables, where of course the interest in the environment, between those who are interested in the local environment and those who are interested in the global environment, can often work together. For the delivery of renewables or low-carbon infrastructure like nuclear, it will often be the same people who are concerned about the local environment as about the global environment.

Quite often, constituents, in my experience, will understand that balance. They will understand the ability or the desire to ride both horses at once, compared to if it was something where their belief set here is going against their belief set here. Here, the people who would be concerned about a local environment will, very frequently, be the same people concerned about their global environment, which is almost all our constituents, let us face it.

**Q133 Charlotte Nichols:** What were the main reasons for removing onshore wind from EN-3 on renewable energy infrastructure in the revised NPS?

**Greg Hands:** Onshore wind was removed from the NSIP regime way back in 2016. It was a decision taken at that time to no longer classify onshore wind as nationally significant infrastructure. I should add at this point that onshore wind is an incredibly important technology and is doing a lot of the heavy lifting, in terms of our renewable delivery. The



decision was taken that it should go to the local planning authority at that time. If I am not mistaken, that is devolved to the Scottish Government, the Welsh Government and, in England, goes to the local planning authority. Onshore wind was removed from the NSIP regime, which is why it does not sit directly in the NPS.

Q134 **Charlotte Nichols:** In evidence to this Committee, Energy UK has said that hydrogen and carbon capture should not just be in the overarching narrative, but in the statements themselves. Do you plan to amend the NPS to give more emphasis to such technologies?

**Greg Hands:** We will look very carefully at the consultation responses and the ability to amend the NPS we have already talked about, on an ad hoc basis, as and when a technology advances, scaling up, we know more about how it gets scaled up and so on. At this point, the two technologies, hydrogen and CCUS, are still relatively nascent. I would not want to put anything inadvertently too prescriptive in the planning regime while we are still looking at how both those technologies can properly be scaled up.

There are different routes on each of them. We are learning more all the time about hydrogen and CCUS. The UK is a global leader in each of those two relatively new technologies. Hydrogen has been known about since the start of human existence almost, and CCUS has certainly been known as a technology for at least 10 years. In terms of how you scale them up and deliver them through a planning regime, they are still relatively nascent. We have put them in the overarching statement, but we have not put in anything too prescriptive as yet.

Q135 **Mark Pawsey:** I wonder if I might speak to you about security of energy supply, perhaps particularly given the present situation. We know that energy prices are increasing because of a shortage of supply, particularly on gas. How well does the NPS adapt to the circumstances that we might find ourselves in right now?

**Greg Hands:** The first thing to say on that is that high gas prices, for the UK at least, are not driven by a shortage of supply. They are driven, as you know, by high global prices. There is not a shortage of gas supply in the UK. 50% of our gas continues to come—

Q136 **Mark Pawsey:** We have reduced our levels of storage.

**Greg Hands:** Storage in itself does not produce supply. Storage in itself will not deal with high global gas prices. It is very much a problem driven by high prices, rather than a lack of supply or lack of storage at the moment.

Q137 **Mark Pawsey:** High prices are themselves driven by a lack of supply globally. The question is how the NPS adapts to the circumstances we find ourselves in today.



**Greg Hands:** That is a very fair line of questioning. The answer is that we have to make sure that the NPS is a regime that is built to last and would not necessarily move around to reflect highly volatile fossil fuel prices. We need the NPS regime to reflect overall Government policy, which is, over time, to move away from volatile fossil fuels into renewables, nuclear and other forms of energy generation.

I would not want someone to come along and say, "Minister, the gas price today is at 450p a therm. Are we going to change the national policy statement on planning?" That does not seem to be a productive way to do things. If someone were to say to me, "Minister, we are changing some key parameters in the net zero strategy. We might want to check if the NPS regime backs that or bears that out", that is a conversation that is worth having.

Q138 **Mark Pawsey:** I think we understand the longer-term perspective of the NPS. How does the NPS deal with the notion that we will be reducing over time our use of fossil fuels? Does it deal with that sufficiently and does it have sufficient alternatives? As we move to electric vehicles and heating our homes by electricity, does it take account of those other trends that we are seeking to encourage?

**Greg Hands:** The draft NPS removes, for example, coal and oil-fired electricity generation. It is already reflecting both changes in practice over the last 10 years and changes in policy going forward. Equally, we keep in aspects relating to gas in particular, recognising gas's huge importance as a transition fuel going forward, and the importance of making sure the UK does not increase the amount of expensive gas we are importing from abroad. That is already reflected in there, but, as I say, I would have been reluctant to go further in the NPS to reflect pricing.

Q139 **Mark Pawsey:** Also, we know we are moving to a greater emphasis on electricity, so we will need to be moving more electricity around the country. Does the NPS cover the issue of transmission adequately?

**Greg Hands:** I think it does. I will bring in Mr Allen in terms of specifics on transmission. Grid pricing is a separate issue to planning, but there are a lot of issues around transmission.

Q140 **Mark Pawsey:** It is an issue in planning when proposals come forward and we know how negatively people see new pylons, for example.

**Greg Hands:** I will bring in Mr Allen in terms of some of the specifics in the draft NPS on transmission.

**Jeremy Allen:** As the Minister has said, it is not our intent to put targets into the NPS. That is not how we see their function. The draft NPS, backed up by the underlying policy of the net zero strategy, the energy White Paper, is very clear that we will need to see a very substantial increase in generation capacity and therefore transmission and distribution network. Substantial weight is given to that need.



## HOUSE OF COMMONS

Q141 **Mark Pawsey:** In simple terms, would we see comfort to a community that is told, “The transmission is going to pass by your community”, who would like to see it, unquestionably, underground, where we know that the costs are significantly higher than overhead? Would NPS provide comfort in those circumstances?

**Jeremy Allen:** We address undergrounding in areas of outstanding natural beauty, where the presumption is undergrounding.

Q142 **Mark Pawsey:** Often these things appear in areas that are pretty attractive but do not have that designation.

**Jeremy Allen:** This is where the sponsor of the project, through the planning process and the examination, would look at the impact environmentally of that infrastructure and seek to mitigate that, bearing in mind other factors like cost.

Q143 **Mark Pawsey:** Does the NPS provide some direction in that case?

**Jeremy Allen:** Other than in areas of outstanding natural beauty, we do not offer—

Q144 **Mark Pawsey:** It is only in areas of outstanding natural beauty, right.

**Jeremy Allen:** It is clearly something that the Minister may wish to consider, as he looks at the consultation feedback.

**Greg Hands:** The importance of building, improving and increasing capacity in the electricity network is addressed in the statement. As Mr Allen says, we do not want to be too prescriptive within the statements. In terms of undergrounding, for example, AONBs are included. Beyond that, that is something that we do not want to set nationally.

Q145 **Richard Fuller:** I was intrigued by Mark Pawsey’s question, not least because, in my own constituency, there is an issue about siting an electric substation. The issue of undergrounding has come to bear. I appreciate the costings are very significant. It is always nice that we protect the areas of outstanding natural beauty, but what about where many people live and blighting their eyelines and what they see. Why is there limited consideration given to that?

**Greg Hands:** In terms of a more urban environment, yes?

Q146 **Richard Fuller:** Yes. Everyone understand that the costs are different. We have outlined one reason why we want to protect. There is no question about that, but it is also where the people are. That is where more people are going to see things that are disrupting their environment. They may not be, in the Government’s eyes or the National Trust’s eyes, areas of outstanding natural beauty, but it is where we live. We care about where we live and we do not want it to be blighted, so why is that not given so much consideration, the balance of that, in the deliberations?



## HOUSE OF COMMONS

**Greg Hands:** That is a good question to put to National Grid as well as to me. As the MP who represents the third most densely populated constituency in the country, urban environment is very close to my heart. All these things will be affecting the right balance between the country's overall national infrastructure with the impact on the local environment, so going back to where we started and making sure that that balance is correct, without being over-prescriptive in the national policy statement.

Q147 **Ms Ghani:** Welcome to the Minister. Hopefully you will be in front of the Committee throughout your time as Minister, so welcome. I am going to follow on the thread about the revised draft NPS and the areas of outstanding natural beauty. The question is quite specific. Has the Department assessed the cost difference of undergrounding and overhead lines as part of the NPS at all?

**Greg Hands:** I will bring in Mr Allen in a second. To be clear, there are not specific cost implications associated with the NPS, because we have not specified amounts or targets, going back to the earlier discussion. Costs are keenly appraised within the Department, by National Grid, by Ofgem and so on, but, within the NPS, we would not effect an assessment of cost implications of doing things.

Q148 **Ms Ghani:** There has been no assessment of the cost between undergrounding and overhead lines. You do not have any figures to hand if you were in particular parts of the country.

**Greg Hands:** I do not have figures to hand. I do not think that that would be something we would put in the NPS, but it might be something that I could write to you on. I do not know if Mr Allen wanted to add anything. I am sure we have done assessments in different areas, terrains and environments of what the difference between overground and underground is, in terms of networking.

Q149 **Ms Ghani:** To help you with your answer, the communities will ask about costs as well as how things look. That is why we are asking the question.

**Jeremy Allen:** Apologies; I do not have those numbers to hand. As the Minister indicated, either via National Grid and developers or in-house, we can provide something, if we are able to write to you.

Q150 **Ms Ghani:** My follow-up question is that Energy UK has identified the need for clearer wording in the NPS on the relationship between the aviation industry and the renewables sector in the context of turbines and the burden of costs on renewables developers. Does the Department plan to amend the revised NPS to take into account the points raised by Energy UK, to provide more clarity on costs? Minister, are you aware of that or not?

**Greg Hands:** Yes, I am aware of the ongoing issues from the aviation industry, both civil and defence, in relation to offshore and onshore wind turbines. That is an area of active investigation by the Government. I interact with DfT and MoD on this reasonably often. This is something



that, particularly on offshore wind, as we quadruple our capacity, is going to be an issue today and will continue to grow.

For air defence and offshore wind, there is a joint taskforce that published its first draft of the joint strategy implementation plan, which outlined the first interim solutions for the mitigation of military radar. It is developing work in this area, which has been going on concurrent to the consultation. We will consider updating the draft NPS as a result of that work.

**Ms Ghani:** That will be very good news, no doubt, to Energy UK.

**Greg Hands:** I forget you are a former Transport Minister.

Q151 **Ms Ghani:** I have a transport question coming up very shortly. That is good to know. Another question is that there is some anxiety that maybe the commitments and Government Departments are not working as closely as they should be. For example, do energy infrastructure NPS priorities align with transport infrastructure NPS priorities as well as the Government's overarching aim of moving towards net zero by 2050? What comfort can you provide us on that, Minister?

**Greg Hands:** That might be a question better for Minister Pincher, in terms of the overall co-ordination. DLUHC owns the whole NPS space, so co-ordination across Government is a little more with it. In terms of the interactions that we have, they are considerable on an inter-ministerial basis, in relation to delivery of energy infrastructure.

At the suggestion of Sir Ian Wood, I am starting a delivery group particularly on offshore wind, looking at how we can speed up the delivery of offshore wind, working with all the various stakeholders, principally Defra on the marine environment, DfT on the transport environment and MoD on the military transport environment, to make sure this gets speeded up.

In terms of how we co-ordinate Departments across Whitehall, that is probably a question better put to DLUHC, which is looking at this, as already mentioned. Minister Pincher, I think, talked about project speed, which is intended to drive this forward.

Q152 **Ms Ghani:** That is fantastic. Does your portfolio cover the CMA and businesses being transparent in their environmental credentials or not?

**Greg Hands:** No. I think that is with Minister Scully.

Q153 **Ms Ghani:** I had a really good question on the CMA putting businesses on notice for greenwashing their credentials. Would that be something that you could answer or not?

**Greg Hands:** That is a good question.

Q154 **Ms Ghani:** Shall I give you some background? The CMA has put together a green claims code, which is to try to focus on businesses that are



greenwashing their credentials. You have already presented on how fast you are working on delivering this agenda, how you want it to be efficient and the level of investment that is taking place. There must be some anxiety, when we are working with businesses, that they are not being absolutely honest and transparent on what their impact is on the environment. It would not make sense if you are delivering on an agenda and the businesses are not being held to account. The CMA is now conducting this piece of work. I wondered if you were across it at all.

**Greg Hands:** To be fair, I would be responsible for any business and their interaction with the environment jointly with Minister Scully and Minister Callanan. In terms of the CMA, that would be overseen by the Secretary of State and Minister Scully. It is one of these areas that falls between different areas.

Let me say this about it. Working with businesses to make sure they deliver on the green agenda is incredibly important. It was very important at COP, in terms of the UK as a global leader in getting businesses to deliver on the net zero agenda. That is why more UK businesses signed up through Andrew Griffith, the Member for Arundel and South Downs. His initiative, going into COP to get more and more UK businesses to sign up to that, was a key part of that.

If there is any actual feeling that businesses are being dishonest or, shall we say, stretching credibility, I am sure that is something the whole of BEIS will be taking a look at.

Q155 **Ms Ghani:** It is the green claims code that the CMA will be working on going forward. I was interested to see how closely you may be working with the CMA on that. I have a final follow-up question, if I may. It would be remiss of me for us not to continue the conversation we had last year. We would also want to make sure that businesses are being absolutely transparent with slave labour in their supply chains. If they are able to showcase their impact on the environment, therefore they should be able to showcase if they have any slave labour in their supply chains as well. No doubt, Minister, in your new portfolio, in your new Department, you will be keen to ensure we are exposing businesses that have slave labour in their supply chains.

**Greg Hands:** I absolutely agree. There are the measures that this Government have taken in this space, with the Modern Slavery Act and further developments and the statements made by the then Foreign Secretary in January of last year in relation to supply chains in China. All of those statements are as valid today as they were then. If it has an impact on energy and energy infrastructure, companies that might be involved in anything from turbine manufacture, through to parts, through to solar panels, that is clearly something where we will make sure that UK law and practice is rigorously enforced across those sectors.

**Ms Ghani:** Minister, I welcome that statement, especially in respect of solar panels. Thank you so much.



## HOUSE OF COMMONS

Q156 **Chair:** When we started our scrutiny of the energy NPS, it was in the context of Storm Arwen and the question of resilience of our critical national infrastructure. How has a Government assessment of CNI resilience factored into the NPS, if at all?

**Greg Hands:** I will bring in Mr Allen, but energy resilience is incredibly important. Arwen was an exceptional storm, but the fact that we have exceptional storms is not exceptional, if you follow me. We have had exceptional storms for a long time. Making sure that the infrastructure is resilient has definitely been a specific concern on the NPS.

I might bring in Mr Allen in terms of how that is actually voiced in some of the specifics here. We will be looking very carefully. The consultation overlapped, if I am not mistaken, with Storm Arwen right at the beginning of December. I am sure that will form part of your consideration of it, Mr Jones. In terms of specifically on storm resilience, I might bring in Mr Allen.

**Jeremy Allen:** We want to review the drafts as they currently stand, as we look at the consultation feedback, and whether there are more pointed statements we would make around resilience, particularly given Storm Arwen. At the moment, the Secretary of State is separately commissioning analysis and recommendations on resilience in the wake of that event. We may then look at those outputs to see whether they are appropriate to reflect in our guidance around the NPS. At the moment, we have not specifically addressed it in the current guidance.

Q157 **Chair:** Do the timescales of the review of resilience of energy infrastructure align with bringing forward the NPS to Parliament and putting it into practice?

**Greg Hands:** The review of resilience of energy infrastructure is an ongoing thing. We do specific event reviews. Storm Arwen is both a BEIS and an Ofgem review. I think it is the BEIS review that might be having an interim report pretty soon on lessons to be learned from Storm Arwen.

Again, it is one of these examples where your NPS, in a dynamic, moving field, like energy policy, is never going to be tip-top, on that specific day, up to date on everything. It is an inevitable compromise between durability and certainty of the regime with being fully up to date. It goes back to the initial questioning. Is 10 years too long? Yes. Is five years about right? Probably. Is the ability to update this as and when necessary also highly likely to be necessary?

These kinds of reviews, as you know, are after each event. There was the big outage on 7 or 8 August. That review and all these reviews will feed into where we think infrastructure needs to be, which then in turn feeds through to the NPS.

Q158 **Chair:** You allude to the potential five-year cycle of reviewing the energy national policy statement. We have significant targets in the energy White Paper by 2030. It is now 2022. You are going to have one review



## HOUSE OF COMMONS

cycle before some key dates arrive. Is the Department going to publish delivery metrics on a more frequent basis to show whether the energy White Paper and NPS are being delivered in the real world between those five-year cycles?

**Greg Hands:** It is a very good question and that has definitely been part of the consultation responses. We will look at the responses to the consultation and see whether there is a specific policy response that is needed, in terms of providing updates of how we get there. We have, as you know, as a Government, provided quite a few staging posts on the journey to 2050. It is not an unreasonable question as to whether the planning regime should be assessed as to whether it is helping us to meet those staging posts.

There is the decarbonisation of electricity and reaching a 78% reduction on 1990 emissions levels by 2035, all these different staging posts. It is not an unreasonable question as to whether the assessment of the planning regime should match those staging posts. That will be one of the things we look at as we respond to the consultation.

Q159 **Chair:** I have two last questions while we have you. Energy bills is a topical issue for people across the country. We have a separate inquiry on that and we will no doubt speak to you in due course. We understand that Ofgem is due to report in early February on the price cap for April. According to reports, the Government will announce any further interventions to help people with their bills. Do you have an update for the Committee on that? Will it align with Ofgem's announcement in early February?

**Greg Hands:** Policy in this space is under discussion at the moment. That is a live governmental discussion. Ofgem has its own consultation that is out there with the industry, which is also live at the moment. There are quite a few moving parts to all of this. As a Government, we can see the likely direction of travel on the price cap, driven by the high and volatile global energy prices, particularly in the area of gas. It is a live discussion, which I know is of great interest to all of us, bill payers, energy suppliers and energy producers right the way across the country.

Q160 **Chair:** There is no indication of timing of Government announcements.

**Greg Hands:** No. I have no indication of timing of Government announcements, other than the fact that we are looking at the situation extremely carefully.

Q161 **Chair:** One of the related issues this Committee has looked at in the past is the replacement scheme for the green homes grant, in terms of how we insulate our homes better to use less gas in the first place. We have been told on a number of occasions a replacement scheme will be forthcoming, but it has been quite some time. Do you have any updates for us?



## HOUSE OF COMMONS

**Greg Hands:** I do not have an update for you. That would sit with Minister Callanan. I do not know how recently you have had Minister Callanan come in to give evidence, but that might be a good thing to put to him.

**Chair:** That brings the session today to an end, so thank you, Minister Hands and Mr Allen, for your contributions. We look forward to seeing you again on related issues in the future.