

Rt Hon Darren Jones MP
Chair
BEIS Select Committee
House of Commons
London
SW1A 0AA

15 December 2022

Dear Darren,

Decarbonisation of the power sector: solar energy and 'best and most versatile' land

Thank you for your letter of 2 December 2022 about solar energy and 'best and most versatile' land.

Solar photovoltaics is a mature, versatile, and effective technology that is a key part of the UK's energy mix. As of September 2022, we have around 14 gigawatts (GW) of solar capacity installed in the UK (split between large- and small-scale installations), of which 99% has been installed since 2010. BEIS published analysis suggests utility-scale solar is now the cheapest form of electricity generation on a levelised cost basis¹ and therefore is key to Government's strategy for decarbonising the energy system at low cost.

Solar is also important to the Government's energy security goals. The dramatic rise in global energy prices following the COVID-19 pandemic and Russia's invasion of Ukraine has demonstrated how crucial it is that we build a strong, home-grown renewable energy sector. Deploying more solar on the system will help limit household electricity bills and ensure Britain is less affected by fluctuations in volatile global gas prices. That is why, in the British Energy Security Strategy, the Government set the expectation for a fivefold increase, up to 70GW, in solar deployment by 2035.

Earlier this year, the Government awarded contracts to 66 ground-mounted solar projects as part of the fourth allocation round in the Contracts for Difference scheme, the main mechanism incentivising large-scale renewable generation. This totals to around 2.2GW of new solar capacity. This is a significant step forward in delivering the ambitions set out on solar in the British Energy Security Strategy. The scheme will move to annual auctions from 2023, helping to further accelerate the deployment of clean, low-cost generation.

I want to take this opportunity to clarify any uncertainty stemming from the media about the Government's position on solar deployment on 'best and most versatile' agricultural land. I have answered each of your questions below.

¹ An assessment of the lifetime cost of producing electricity to the generator, as set out in the 2020 Electricity Generation Costs Report. This does not factor in wider system costs. See <https://www.gov.uk/government/publications/beis-electricity-generation-costs-2020>.

1. The current status of any plans the Government has to reclassify BMV land, and in particular when any reclassification might be introduced, whether the plans would be subject to public consultation, what representations BEIS is making, and whether you or your Department needs to approve these proposals.

As defined in the National Planning Policy Framework, 'best and most versatile' (BMV) agricultural land constitutes land in grades 1, 2 and 3a of the Agricultural Land Classification, and therefore not 3b. With regards to the Defra position, the Government has clarified the definition of BMV land in a letter to the Environmental Audit Committee². Planning decisions should continue to be made based on the current definition.

2. What assessment the Government has made about the extent to which any such reclassification would have on restricting land available for solar developments;

The Government has clarified the definition of BMV land in a letter to the Environmental Audit Committee³. Planning decisions should continue to be made based on the current definition.

3. Where the Government expects the fivefold increase in solar to come from if solar developments are not permitted on most agricultural land;

There are a number of factors that developers take into consideration when determining the suitability of a site for a solar installation in order to maximise generation capacity and value for money. This includes, to name a few, access to the grid network, topography, irradiance, as well as the quality of the land. This has led solar projects to deploy across a range of land types and projects can often be located on a mix of higher and lower grade land.

There is a need to preserve our most productive arable farmland. It is important to strike the right balance between these considerations and securing a clean, green energy system for the future. That is why the planning system is designed to take account of these issues.

Planning policy and associated guidance encourages large scale projects to locate on previously developed, or lower value land. Where greenfield sites are used, developers are required to justify using such land and design their projects to avoid, mitigate and where necessary, compensate for any impacts.

The weight given to these issues will depend on the project application. Factors, such as whether the project proposal allows for continued agricultural use where applicable and/or encourages biodiversity improvements around the proposed solar arrays may be taken into account by decision makers.

This is this case for both solar projects with installed capacity less than 50 megawatts, assessed by local planning authorities, and Nationally Significant Infrastructure Projects, considered by the Planning Inspectorate and for which I decide to refuse or grant consent, based on a recommendation made by an Examining Authority.

² <https://committees.parliament.uk/publications/28710/documents/172754/default/>

³ <https://committees.parliament.uk/publications/28710/documents/172754/default/>

4. What assessment the Government has made of the impact any such proposals could have on a) the overall cost of electricity generation in 2035 b) the cost of the transition to a decarbonised power sector and c) the Government's ambition to become a net exporter of electricity by 2040;

As per answer to question 2.

5. What steps the Government is taking to engage with the solar energy industry, with a view to giving confidence and certainty to those looking to invest in solar energy in the UK.

I recognise uncertainty in this policy area has impacted investor confidence and I will take the necessary steps to communicate this policy to the sector, local planning authorities and other interested stakeholders.

As set out in the British Energy Security Strategy, the Government will consult on amending planning rules for ground mounted solar to strengthen policy in favour of development, while ensuring that communities continue to have a say, environmental protection remains in place, a balanced approach is taken to agricultural land and projects are well-designed to mitigate possible impacts from deployment. The consultation will be issued in due course, and I encourage the sector to submit their views on proposals put forward to deliver this commitment.

Yours sincerely,



RT HON GRANT SHAPPS MP

Secretary of State for Business, Energy & Industrial Strategy

