Written evidence submitted by Island Green Power (GRI0080)

Island Green Power is a developer of solar farms and battery storage facilities, with a focus upon utility scale developments. The founders have been operating for over 25 years in the energy industry with approximately a decade operating in solar photovoltaics (PV). IGP have developed or are in the process of developing projects the UK, as well as Ireland, Spain, Italy, New Zealand and Australia.

Island Green Power's mission is to help countries across the world to increase their solar energy usage, making more renewable energy possible, saving thousands of tonnes of CO2, and helping the UK on the journey to net zero by 2050. IGP's development pipeline is currently targeted to provide 8.4GW of solar energy, which is 12% of the Government's overall target of 70GW by 2035, alongside significant Battery Energy Storage Systems (BESS), which will contribute 8.0GW of energy to the UK.

We are committed to responsible land use and firmly believe that the development and commercial delivery of large-scale solar farms can be achieved in harmony with their surroundings. Therefore, we will always seek to use brownfield sites, non-agricultural land or, where the use of agricultural land is necessary, we will always try to use poorer quality farmland. Typically, we successfully find ways to allow ongoing agricultural use such as sheep grazing and or co-locate with storage to maximise the efficiency of the land use.

Our work involves finding, assessing and preparing land around the world for the construction of highly-productive solar farms. We have a proven track record in the development of solar projects and our work involves all aspects of PV project development: site appraisal, obtaining all the required authorisations, permits and consents, grid connection and financing our pipeline.

Island Green Power welcomes the inquiries by the Energy Security and Net Zero Committee and the opportunity to respond to some of the greatest challenges facing the energy sector at present.

We have responded to questions for which we have the necessary expertise and would be more than happy to provide further detail, if helpful.

A flexible grid for the future – Island Green Power's Inquiry Response

1. Does the current national and DNO grid deliver the capacity needed for the future and, if not, what are the solutions?

The current national and DNO grid is not ready for the future. The process of connecting energy projects to the grid is currently slow and with little/no visibility of where capacity is or may be available. There is significant existing grid capacity underutilised due to limited data surrounding grid connections and excessively cautious grid capacity modelling.

The lack of capacity is acknowledged by organisations in the energy industry, from developers, to National Grid ESO (NGESO), the National Infrastructure Commission and trade associations. The Nick Winser review, issued a call to action on the electricity grid and sets out a plan to halve the time it currently takes for projects to connect to the grid[1]. Carl Trowell, President of UK strategic infrastructure at National Grid, said on the report: "There is no time to waste, implementing the

[1] Nick Winser, 'Electricity Networks Commissioner: companion report findings and recommendations'. August 2023.

proposals…is the surest route to more affordable bills, greater energy resilience and a more energy independent UK."[2].

National Grid outlined a five-point plan to boost renewable energy projects, including removing the first-come, first-serve basis for approval[3]. The existing capacity in the grid must be unlocked in the short term. National Grid is right to end the 'first-come, first-served' basis for grid connections, and instead move to a 'get on or get back' approach. There is existing capacity in the grid and utilising this would enable a rapid energy infrastructure expansion.

Island Green Power was actively involved in the National Grid working group on Queue Management (CMP376) which has proposed methods for better management of the connection queue – including removing projects that aren't able to progress thereby freeing up capacity – although it should be noted that the working group concluded the outcome of the proposal could not be applied retrospectively. Obviously, that will limit the potential benefits of the proposal that is still awaiting Ofgem's review. More recently this has effectively become part of the 5-point plan mentioned above.

Another solution is to improve the data that exists on grid connections. Historically there were heat maps at transmission and distribution level, however they have not been published for several years, as the volume of applications made meant the maps were out of date too quickly. The National Grid Connections Reform proposal to have a batch and gated application process could improve this as it would be possible to have annual snapshots of capacity (along with NG's ability then plan any reinforcements required to facilitate each round of application more efficiently).

There are opportunities to free up capacity by reviewing existing connected assets to see if they ever actually use all of their connected capacity, and 'release' whatever is not used. Similarly, modelling of the grid is very risk averse. Granted this is in the interests of security of supply however we believe there may be opportunities to improve this balance. The exact criteria do not seem to be published, but it is worth noting they could be as in Ireland for example, where one assumption is maximum generation for wind and solar at the same time yet derating grid capacity on the basis there is no wind to cool transformers. Obviously, you cannot have maximum wind generation with no wind.

Active Network Management is available in some areas which is largely intended to overcome the issues of how often a worst-case scenario happened which effectively frees up some of this capacity. Whilst this works in some circumstances, to date the modelling of how much your connection will be constrained has not been variable and often is similarly over cautious or lacking in information or certainty to the point that its difficult or impossible to invest in projects at those connection points.

2. Has the organisation of the National Grid proved a barrier to the installation of renewable energy sources, and if so what could be done to remedy this?

National Grid organisation is an installation of renewable energy sources barrier. The approach taken to grid connections and renewable energy projects has been inappropriate. The organisation faces significant resource issues and must rethink its developer relationships.

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[2] Department for Energy Security and Net Zero (DESNZ), 'Government welcomes report on electricity networks as critical to Britain's energy security'. August 2023. https://www.gov.uk/government/news/government-welcomes-report-on-electricity-networks-as-critical-to-britains-energy-security

[3] National Grid, 'Delivering for 2035: Upgrading the grid for a secure, clean and affordable energy future.' May 2023.

The 'first-come, first-served' grid connection approach has been problematic and has led to 'land banking' taking place. Businesses and organisations that are not ready to develop renewable energy sources have been able to 'claim' grid connections, with little assessment on how capable and delivery ready they are. A pipeline of projects is taking up space that could be used by more developed projects. The Transmission Entry Capacity (TEC) amnesty by National Grid ESO, which allowed projects to leave the grid queue without incurring a fine, was very welcome in principle although we're yet to see any positive outcomes from it in respect of capacity being released. A letter from National Grid to Ofgem dated 15 August '23 says "…the TEC Amnesty is expected to remove up to 8GW of generation (across around 50 projects)…" This does appear to be based on submissions made to them, albeit they are yet uncertain of the total capacity that will be released. Note the letter asks for an extension until 30th September 2024 to process the projects within the amnesty, so we do not expect any capacity release to happen in the near future.

The queue has led to problems in the grid and major delays to the progress of renewable energy projects. Some developers have been told that they will have to wait 13 years before they can connect to the grid[4]. We have recently heard of 2038 connection dates being offered. This threatens renewable energy projects as developers and investors cannot hold their projects for over a decade. The delays are undermining the Government's ability to meet its 2035 solar targets, with some solar farms only able to deliver energy after this date.

National Grid's resource issues restrict innovation, efficient connections and large-scale development. In 2019 it was possible to have detailed discussion on potential grid connections to find out where to apply for connections, an opportunity unavailable since 2020 due to limited resource. Resource constraints have increased as the volume applications have increased and there seems to be no additional resource. We have seen people leaving and in some cases not replaced. The lack of capacity for conversations about grid also means developers are restricted to where they can place their projects. The large number of developments, particularly solar, in Lincolnshire is a prime example of this. These developments have been planned in this county almost entirely because of the old power stations within its boundaries. This has the unfortunate, but admittedly not unexpected, impact of certain parts of the country feeling they are burdened the amount of infrastructure, and no benefit to this. This creates concentrated 'Nimbyism' which is impacting political debate[5].

National Grid must work more closely with developers. It needs to reimagine how it works with developers and allow developers to contribute towards resources. Whilst Island Green Power is largely supportive of the Connections Reform proposal, another potential option is the introduction of a developer levy, used to facilitate long-term investment in the grid. This would allow developers to progress projects faster and mitigate National Grid resource constraints. There also needs to be a more streamlined planning process and reduced statutory timescales between i) the date of acceptance of a DCO application and ii) the hearings.

4. What changes should be made to the planning system to enable it to increase the use of renewable energy?

The Chief Executive of the National Infrastructure Commission (NIC), James Heath, stated that planning is 'the single biggest constraint' on infrastructure for generation and transmission[6]. Over

[4] Gill Plimmer, Harry Dempsey, 'Renewables groups sound alarm over UK grid connection delays'. Financial Times. February 2023. https://www.ft.com/content/bc200569-cb85-4842-a59a-f04d342805fc

[5] Various Westminster Hall debates such as 'Planning and Solar Farms' tabled by Dr Caroline Johnson MP and held 19th July 2023 and 'Large Solar Farms' tabled by Nigel Adams MP and held 21st March 2023.

the last decade, the time taken to receive a Development Consent Order has increased by 65% to an average of over four years.

Planning system changes that would drive improvements include:

- Community benefit as a material consideration.
- Clarity on land grading, with clear mapping if it is deemed a significant factor in the planning balance
- Better resourcing of the Planning Inspectorate, local authorities and statutory consultees.
- Updating the National Policy Statements.
- A revised new approach towards local authority planning decisions.

Community benefit as a consideration

During the planning stage, developers are required to conduct consultation with local communities. This engagement is valuable and important. We find this to be extremely useful and changes to the proposals have resulted from consultation on every UK project we've developed. However, any material community benefit proposed by developers is legally immaterial to planning decisions. This is due to a concern that developers would effectively be allowed to 'buy' the consent of communities by offering generous benefits. Developers would be more inclined to consider significant community benefit if it could be considered materially in the planning decision. Additionally, it does not make sense to allow 'environmental benefit' to be considered, but not 'community benefit'.

Land grading review

Land grading is controversial, particularly in relation to solar farm developments. Many individuals voice concerns about solar farms being put on 'best and most versatile' (BMV) land, therefore damaging the UK's food security and the livelihood of farmers.

The BMV land is land graded 1, 2 and 3a. Solar developments are not prohibited on this land, the current draft National Policy Statement EN-3 states in 3.10.14 that land grade should not be the predominating factor and then goes on to say that solar on BMV should have the impacts considered. This helps give some clarity to the subject which has been extremely uncertain over the last year with wide and varied, and even contradictory decisions being granted at local authority and Planning Inspectorate level since. Island Green Power believes that clarity and consistency on how to interpret the position (which the draft EN-3 should deliver) is possibly the most important – and indeed potentially quick – improvement to the planning system that needs to be implemented.

However, it is not always clear where BMV land is and where it is not, which creates difficulties for developers when planning their projects. There is no clear map which highlights where BMV land is located as the only map for England does not distinguish between 3a and 3b and Natural England explicitly say it should not be used for site selection purposes. In addition, there may be swathes of grade 3b and below land being underutilised, with a small amount of 3a land in the middle. The planning system could be improved by a comprehensive review of land across the UK and clear mapping of land value. The Welsh government has made steps to conducting a land review and mapping the land – this can be taken as an example of what could be possible in England and other

[6] Belinda Smart, 'NIC warns of 'huge challenge' of decarbonisation in preview of autumn's National Infrastructure Assessment'. New Civil Engineer. July 2023. https://www.newcivilengineer.com/latest/nic-warns-of-huge-challenge-of-decarbonisation-in-preview-of-autumns-national-infrastructure-assessment-10-07-2023/?tkn=1

nations of the UK.[7] We believe that Natural England has now commissioned this work although it will be 2 years before the new mapping is published.

Resourcing

The resourcing of the Planning Inspectorate (PINS) is a problem which impacts developers every day.

To give a direct example of the experience of Island Green Power, we currently have a project that is going through the NSIP consenting process. We submitted our application to the Planning Inspectorate on 12th January 2023, which was accepted for examination on 10th February 2023. The usual process would mean our first hearing on the development would be approximately three months later, in May or June. However, our first hearing is set for September. This is a delay of approximately three months. The reason for this delay is because the inspector assigned to our project was on sick leave, then left their role, and the PINS had to find a replacement. This has caused significant delay to a project (and we understand is the longest delay ever for an NSIP application where it was not agreed by the developer) which will contribute significantly to the national solar target, with the project due to produce 600MW of power and provide enough power for 180,000 homes.

A potential long-term solution to the resourcing issues faced by PINS could be some form of developer contribution, such as a levy. We note this is subject to another current consultation.

Local Planning Authorities are far more involved in NSIP applications than people realise. Ironically our experience is we get better responses from them than we do for local planning applications. In both cases they remain significantly under resourced. There should be a default mechanism to make sure NSIP applications provide funding to LPAs as currently everyone has to 'reinvent the wheel' and agree Planning Performance Agreements which is an unnecessary burden on developers and LPAs alike. LPA applications for solar are typically taking a year instead of the 13 week or 16-week statutory time, with developer told they have to agree extensions of time or face refusal. Some of this is directly linked to resource where for example we've had 2 applications where a key LPA employee works 1 day per week with nobody else able to help with workload.

We welcomed the introduction of fees for advice from statutory consultees such as Natural England a few years ago. The promise at the time was that it would enable a better service to be delivered. Unfortunately, that has not been the case at all and we're finding response are taking increasingly longer or simply not happening (and we're not charged), which is adding to the length opt time planning applications take.

A 'carrot and stick' approach makes sense to us, where we're happy to pay for the resource so we get a professional and timely response, but if that response is not received within a pre-determined timeframe, then we believe it should be deemed to be no objection from the consultee. This concept already exists, albeit with too many caveats to be practical, within the 'deemed discharge of conditions' process in local planning.

Update the National Policy Statements

[7] Data Map Wales, Predictive Agricultural Land Classification (ALC). 2019. https://datamap.gov.wales/layers/inspire-wg:wg_predictive_alc2

There is an urgent need to update the National Policy Statements (NPS) and in turn, the National Planning Policy Framework (NPPF) and the National Planning Policy Guidance (NPPG).

The NPS have not been updated since 2011 – despite the draft NPS EN-3 being published in September 2021 – with the NPS currently used to make decisions on planning permission not having solar included. This is despite the Government having set a clear solar target, 70GW by 2035, which requires the trebling of current solar generation.

The lack of an updated NPS means that the NPPF is outdated and the British 'Powering Up Britain: Energy Security Strategy', which was released in March 2023, has not yet had an impact. This in turn means that the NPPG, which gives more detail than the NPPF and is used by local authorities to make planning decisions, is out-of-date. Local authority attitudes and approaches to the Town and Country Planning Act changes with national guidance. Therefore, as national guidance remains outdated then so too do the decisions of local authorities. This is directly inhibiting solar farm, and other renewable energy, developments from progressing forwards. There have been many recent examples of projects that were rejected by local authority cabinets but are then approved at appeal. This is inefficient and demonstrates a lack of cohesion in approaches towards renewable energy developments.

For example, the Langford Solar Farm was rejected by Mid Devon District Council, citing concerns around the removal of land for food production and the potential impact on the landscape[8]. On appeal, the PINS approved the development on the grounds that it had significant local/national policy support, alongside the benefits of electricity production.[9] Similarly, Telford and Wrekin Council rejected a Shropshire solar farm development, for being too closely located to the Area of Outstanding Natural Beauty and impact on landscape. At appeal, the PINS have the go ahead. The council is now contesting the Government's decision.

The 2015 Ministerial Statement relating to the use of BMV land from solar is also causing issues. The point of such a statement is to provide short term clarity which proper polices are developed and consulted on. 8 years is not short term. Draft EN-3 does deal with this however that is still awaiting publication and some decisions from the PINS are considering the draft EN-3 approach whilst others are relying on the 2015 statement. We are currently conducting some research to show how wide and varied decisions are for solar and use of BMV.

This demonstrates a clear and fundamental difference of understanding on planning permission and policy between local and national levels, and indeed even at national level Inspectors are inconsistent. This inefficiency, adds to overall costs for organisations involved, leads to different decisions made in different places, and creates developer, investor and local community uncertainty.

We believe that a consideration to improve the planning process could be to impose penalties on local authorities for instances where the Secretary of State decides to indirectly approve a project against the advice of their planning officers. We believe this will help to reduce the number of projects that are rejected due to 'nimby' concerns and reduce the number of projects go to appeal and are then granted by the PINS.

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[8] BBC, 'Langford Solar Farm plans approved after appeal'. December 2022. https://www.bbc.co.uk/news/uk-england-devon-63865430

[9] Department for Levelling Up, Housing and Communities (DLUHC), 'Recovered appeal: land east of Langford Mill and Tye Farm, Langford, Devon (ref: 3293104 - 5 December 2022).' https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1121765/Combined_DL_IR_R_to_C_Langford_Mill.pdf

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