

## Written evidence submitted by RWE (NPS0006)

### **RWE's Response to BEIS Select Committee Inquiry on the review of the Energy National Policy Statements**

RWE welcomes the opportunity to respond to the BEIS Select Committee Inquiry on the review of the Energy National Policy Statements.

RWE is the UK's second largest power producer, employing around 2,600 people in the UK and supplying around 12% of UK electricity. The company is the third largest renewable generator in the UK, with a diverse operational portfolio of renewables including onshore wind, offshore wind, hydro and biomass amounting to over 2.1GW. In addition to its growing renewables portfolio, RWE operates around 7GW of modern and efficient gas-fired capacity in the UK, making us one of the largest providers of firm flexible generation, which is crucial for security of supply. Going forward, the UK will play a key role in RWE's strategy to grow its renewables portfolio and become carbon neutral by 2040. Overall, and including its committed investments in projects already under construction, RWE expects to invest around £15billion in new green technologies and infrastructure in the UK by 2030.

RWE firmly believes that, as the primary policy driving the consenting of nationally significant infrastructure projects ("NSIPs"), the Energy National Policy Statements (NPSs) are instrumental to the delivery of the UK net zero target. As such, it is essential that the NPSs embed not only the pressing need for renewables and low carbon technologies, but an ambition and consistent policy message (translated across all devolved administrations and into local planning and other consents such as marine licences) that removes existing barriers and enables the delivery of energy NSIPs in the context of the existing climate emergency. It is also important that the NPSs recognise the need for a diverse energy mix, capable of providing clean, reliable and affordable power.

Overall, RWE is supportive of the ongoing review of the NPSs but also has concerns that, without appropriate resourcing of government agencies and regulatory bodies to assist on the earlier resolution of issues, the speed of implementation and ability to meet net zero targets will be compromised by slow delivery.

- **The clarity of the NPS in terms of its scope and its applicability to the Energy White Paper**

The Energy White paper and the subsequently published Net Zero Strategy presents the government's vision of how the UK will make the transition to net zero in the next few decades and achieve the specific targets for each technology delivering net zero. As the national policies enabling such delivery, and to address the climate emergency, we think that the NPSs should contain clearer language to ensure they will prevail over other conflicting local or statutory bodies' policies, such as Local Development Plans and Marine Plans.

- **How effectively the revised NPS reflects Government's policy proposals in the Energy White Paper**

RWE welcomes the need case made for energy NSIPs in the EN-1, as well as the ability for the Secretary of State to include new technologies within the Development Consent Order (DCO) process via Section 35 directions. We also welcome the proposal that EN-1 will have effect for energy infrastructure that is outside the scope of the technology specific NPSs, this will also ensure a flexible approach whereby new emerging technologies can be brought into the scope of the DCO regime where appropriate.

The recognition of a diverse energy mix is also important, not only to enable affordability and security of supply, but also to support the consenting of Section 36 variations that may be required for maintenance or optimisation of existing assets prior to future hydrogen combustion or CCS implementation.

- **How effectively the revised NPS supports the Government's targets for net zero by 2050**

RWE welcomes the proposed changes relating to the policy framework for new technologies and clear references to Net Zero targets. However, we believe that such changes do not clearly translate into policy support in terms of adding enough weight to the consenting of energy NSIPs including renewables and low carbon technologies. Together with the presumption in favour of development, greater weight should be given for decarbonisation within the decision making process. The NPSs should also include a presumption that the benefits of proposals involving such technologies outweigh any localised impacts. This same point applies to each of the technology specific NPSs and the impacts that are there identified. In particular, RWE feels that the importance of offshore wind in delivering on the net zero target has been watered down in the draft NPSs.

There are also potential challenges introduced by the draft NPSs, for example the expectation that projects can co-ordinate their grid connections. Whilst in principle we support the principle to co-ordinate where realistic, current the expectation, does not align with the regulatory framework, and as such, it is unclear how this will work in practice and such expectations expressed prior to supporting regulatory frameworks seriously risk project delivery. We are also concerned that the policy

introduces the principle for Habitats Regulations Assessment derogation packages to be submitted with applications at the discretion of Natural England or other statutory consultation bodies, which may lead to a general presumption of such measures, where they may not be proportionate or required.

- **How effectively the revised NPS takes account of other aspects of the Government's plans for energy generation**

We think that the need case for hydrogen production could be strengthened by reference to the need of all infrastructure required to support hydrogen, including hydrogen production facilities such as electrolysers, associated grid connections, onsite substations, onsite storage and pipe works for hydrogen and water, potential water treatment and desalination plant and hydrogen fuelling stations amongst other infrastructure. The same applies to electricity generation fuelled by hydrogen. It is important to put in place a clear consenting route for large-scale green hydrogen production projects.

- **How effectively the proposals in the revised energy NPS supports the communities who will be impacted by the delivery of new energy infrastructure**

References to community are made specifically in relation to the coordination of transmission systems, social and economic assessments and in relation to flood risk. We are concerned that expectations are placed on applicants that are not fully explained. For example, reference is made to community constraints but no further detail is given as to what this is, or the weight/regard that should be given to such factors. It would be helpful for these concepts to be explained. There is potential duplication in relation to CFD requirements, e.g. in terms of Supply chain reports.

- **How effectively the revised energy NPS takes account of sustainability and environmental considerations**

Within Section 4.5 of EN-1 it is stated that although Biodiversity Net Gain is not an obligation for projects under the Planning Act 2008, energy NSIP proposals should seek opportunities to contribute to and enhance the natural environment by providing net gains for biodiversity where possible. For terrestrial and intertidal developments there are published metrics (the intertidal is currently as a draft) to allow the value of existing and developed habitats to be calculated. However, there are no UK metrics for sub-tidal habitats and no timeline for when or how they will be produced. A requirement to apply Marine Net Gain in the absence of a methodology or a schedule for the publication of a methodology is an additional consenting risk and hence a risk and disincentive for developers.

The requirement for biodiversity net gain and ecological enhancements are used in differing context, and it may be helpful to refer to environmental net gain. It is also suggested that there may be an opportunity to address the opportunities that these enhancements may contribute to addressing the nature emergency / biodiversity crisis arising as a result of climate change.

- **The effectiveness of the Government's consultation on the proposals contained in the energy NPS**

RWE welcomes the revision of the Energy NPSs, and the opportunity to respond to the consultation. However we do have concerns regarding the timings of some of the proposed policies in light of ongoing regulatory changes. This is particularly relevant with regards to the expectations regarding grid co-ordination. For as long as there is no regulatory framework in place for grid-coordination, the proposed wording in EN-1, EN-3 and EN-5 creates uncertainty and maybe a delaying factor to the development pipeline, as well as increasing the risk of legal challenges.

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