

## Written evidence submitted by Hitachi Energy (NPS0016)

### **Introducing Hitachi Energy**

Hitachi Energy (formerly Hitachi ABB Power Grids) is a global technology leader that is advancing a sustainable energy future for all. We serve customers in the utility, industry and infrastructure sectors with innovative solutions and services across the value chain. Together with customers and partners, we pioneer technologies and enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. We are a major investor in the UK, with a turnover of £500 million.

We are advancing the world's energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic value. Hitachi Energy has a proven track record and unparalleled installed base in more than 140 countries. Headquartered in Switzerland, we employ around 38,000 people in 90 countries.

Hitachi Energy supports the principle of Energy National Policy Statements that ensure the planning regime reflects the urgent need for additional energy infrastructure to support the transition to net zero. Our response to BEIS' consultation was focussed on EN-1, EN-3, and EN-5 only, and our response to the BEIS Committee's consultation is similarly limited to these three documents.

### **Our response**

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

We feel that the revised NPS successfully captures the right assumptions about the UK's future energy strategy, reflecting the key elements laid out in the Energy White Paper in a way that focuses on the technical substance and details, rather than politicised announcements. However, with the statements ranging from 32 to 290 pages, they are difficult to navigate. It would be helpful, for example, if the documents included clearer executive summaries to make them more digestible and easier to follow.

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

The revised NPS documents that we responded to are comprehensive and in our opinion do successfully reflect the Government's policy proposals in the Energy White Paper, accurately capturing the long-term aspirations of government.

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

Whilst the revised NPS clearly acknowledges the 2050 net zero target, stronger consideration should be given to the need for urgency in order to deliver policies at pace. The targets set out in the Energy White Paper demonstrate the right level of ambition, but they are stretching and demand that the government fully utilises every tool at its disposal to achieve them, which includes optimising the planning regime.

The document recognises the need to approve projects that sit within policy objectives but falls short when it comes to making clear how it will remove delays or accelerate project delivery towards net zero. A failure to address this will seriously impact the Government's ability to hit net zero targets.

The NPS in and of itself will force coordination on certain elements of national infrastructure, such as offshore wind connections, which is welcome. Building on this, we would like to see more positive policy instruments to accelerate project delivery, such as encouraging renewable technologies like battery storage which are absent from this iteration of the NPS.

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

While focus on the renewable energy generation side is welcome, it is also important that the energy ends up in the right place and that the consumption side is dealt with effectively. The NPS accounts for the likely growth in demand for electricity in the coming years and the subsequent need to strengthen the

UK's security of supply and system robustness, balanced with value for consumers, but should go further still. In particular, digitalisation is key to a more flexible grid, but is practically absent from the NPS. We believe government needs to significantly strengthen its position on the necessity for a smart energy system in order to ensure system resilience and encourage investment.

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

The NPS touches upon the need to minimise disruption to local communities and consider community constraints when developing electricity network design and infrastructure. However, we believe it could go further to help overcome challenges that local communities might face as a result of the impacts of renewable energy projects in their area. Reinforcing local infrastructure so that residents can benefit from local power and greater coordination between different projects (such as ensuring communities don't face long-term traffic blockages over an extended period of time as a result of multiple projects in a single area) will be an enormous benefit for local communities, limiting negative impacts on public life as well as ensuring projects can be delivered at pace.

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

With regards to environmental considerations, energy infrastructure in the context of net zero should at the very least not damage the natural environment and should be seeking to deliver net gains. Anything else would be counterintuitive to efforts to combat the effects of carbon emissions, and it is right that planning decisions reflect this. We also welcome the due consideration given to the benefits of undergrounding power cables in National Parks and AONBs and broader considerations of how electricity network infrastructure can be functional, beautiful, and sustainable across suburban, coastal, and rural landscapes.

On sustainability, a stronger foundation for circular economy thinking in the revised NPS would bolster the Government's commitment to minimising waste and regenerating natural environments. It is also unclear how influential planning consents are on Ofgem's evaluations, suggesting that stronger alignment is needed on environmental and sustainability considerations between BEIS and Ofgem.

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

Ultimately, as expressed above, whilst the revised NPS is comprehensive and covers a lot of ground, a document of this length and technical detail becomes difficult to respond to. Industry presentations or webinars on the key proposals and changes could be a more effective, engaging way to communicate the main points of the NPS to interested stakeholders, which could then be supplemented with other mechanisms should further detail be required.

We recognise that the NPS needed substantial changes to reflect the significant developments in policy, and that in such a fast-moving space, the balance between needing to adapt to keep up but also preserving a measure of certainty is a difficult one to strike. Whilst a more frequent assessment of national policy statements might not be the most practical solution, government should consider whether there is a better approach.

The timing of consultations, including when they are launched and how long they run for, is also an important consideration. It is worth noting that this consultation was published in the run-up to and during COP26 – a very busy time for many businesses – with other consultations of interest published during the same time period. These factors had an impact on the capacity of stakeholders operating in this space to respond effectively.

*December 2021*