

National Grid sits at the heart of Britain's energy system, connecting millions of people and businesses to the energy they use every day. We fully support the Government's net zero ambition and are committed to playing a leading role in enabling the transition. We welcome the opportunity to respond to the BEIS Select Committee inquiry into the Draft National Policy Statements for energy infrastructure.

Energy infrastructure is critical to delivering on the ambition for the UK to be net zero by 2050 as outlined through the Energy White Paper and associated strategies. Our business is focused on delivering this ambition through investing and innovating across a range of net zero infrastructure solutions, including: enabling an affordable hydrogen economy; partnering with industry to pioneer CCUS technology; supporting with the increase in electricity capacity required for EV charging and heat decarbonization; and connecting 40GW of offshore wind by 2030 on the journey to a full zero carbon power system by 2035.

Delivering net zero requires a step change in how industry plans, consents, consults and constructs infrastructure, therefore the commitment within the Energy White Paper to review and update the National Policy Statements (NPS), was most welcome. **However, whilst the revised NPS makes progress on several factors required to decarbonise the UK, its current drafting does not provide the step change needed to deliver the scale and pace of nationally significant infrastructure development that is required to meet Government's net zero ambition.**

## Executive Summary

- **A revised suite of National Policy Statements (NPS) are urgently required** to enable the development and delivery of Nationally Significant Infrastructure Projects (NSIPs) required to achieve the Government's decarbonisation targets, we therefore welcome this consultation.
- **However, the draft NPS have insufficient focus on net zero and the level of change our energy system needs to go through before 2050. Significant further change is therefore needed** to ensure timely planning, consenting and delivery of energy related Nationally Significant Infrastructure Projects (NSIPs) at the pace required to enable delivery of Government's 2050 net zero target.
- **The need case for energy related NSIPs must be strengthened to reflect the urgency of the Government's decarbonisation targets and the need for new energy infrastructure.** Greater clarity and authority on the need case will ensure planning examinations focus on the impacts of infrastructure, rather than the principle of development, and remove the need for often extensive and detailed debate during the project development phase. This principle is essential in ensuring the NSIP regime works effectively and enables timely consenting for major projects.
- **The NPS should be updated to ensure it is aligned with the latest policy developments.** This includes the Net Zero Strategy, policy on CCUS and hydrogen, and emerging policy on a Holistic Network Design and co-ordinated offshore transmission from the Offshore Transmission Network Review (OTNR). Clarity is needed on how these will, or should be considered by promoters, stakeholders, examining authorities and decisions makers involved in the development and delivery of NSIPs.
- **The NPS must set clear expectations for the involvement of stakeholders in the planning process for these essential projects.** Language throughout the documents should be reviewed to ensure it is clear and unambiguous. This will ensure that the NPS provides the base for collaborative, constructive working relationships between stakeholders.
- **We support further engagement with industry at pace to ensure timely delivery of the above changes and adoption of a revised suite of NPS** which effectively support the development, examination, and decision-making for energy NSIPs. There are several projects which are crucial to delivering the Government's target of connecting 40GW of offshore wind by 2030 which will be entering consultation phase early next year. Without rapid adoption of refreshed, updated NPS the timely delivery of these projects could be at risk.

In addition to our below response to the consultation, we have also included an annex. This is an independent review by Quod consultants, planning specialists, into whether the NPS as currently drafted would be effective in enabling industry to meet the Government's target to connect 40GW of offshore wind energy by 2030. This review by Quod was commissioned by National Grid and their findings are drawn on throughout our response.

## About National Grid

National Grid Group's operations in the UK include: National Grid Electricity Transmission (NGET), which owns the high voltage transmission system in England and Wales; Western Power Distribution (WPD), which owns and operates electricity distribution networks in the Midlands, the South West and Wales; National Grid Gas (NGG), which owns and operates the high pressure gas transmission system in England, Scotland and Wales; National Grid Ventures (NGV), which owns and operates energy businesses in competitive markets, including electricity interconnectors and the Grain LNG storage terminal; and National Grid Electricity System Operator (NGESO), a legally separate business within National Grid Group which balances the supply and demand of electricity in real time across Great Britain.

This consultation response represents the view of National Grid Group. As a legally separate business, National Grid ESO has submitted a separate consultation response. In this instance WPD has also submitted a separate response.

Having articulated a clear vision for a net zero economy through the Ten Point Plan, the Energy White Paper, the Net Zero Strategy and associated documents it is critical that the UK Government and industry now work together to translate this ambition into delivery at pace. This means that EN1 should be updated further to ensure that the context for the needs case is up to date and in step with the most recent government policy on energy and climate.

However, the draft NPS does not currently provide the step change needed to deliver the scale and pace of new energy infrastructure required to meet net zero and therefore risks the successful delivery of the Government's net zero and related targets (for example the connection of 40GW of offshore wind by 2030). Delivering 40GW by 2030 requires significant investment to reinforce and develop the transmission network and connect this clean renewable electricity. For NGET this entails 15 major projects that need to be planned, consented and delivered in just over 8 years. Historically, these major projects have taken over 9 years to deliver, including significant consenting time. Therefore, to meet Government's target, planning reform focused on accelerating key national infrastructure projects such as ours, is critical. Given the criticality of the infrastructure necessary, the revised NPSs should include:

- **Need:** the terms of the NPS should reflect the scale and urgency of the need for new energy infrastructure in terms which accurately reflect its critical national importance. For example, whilst the draft NPS does call out the urgent need for new energy generating capacity it should also spell out the critical urgency of enhancing, reinforcing and extending the transmission network.
- **Presumption:** the NPSs should make clear that the decision maker must presume in favour of applications for the provision of the necessary infrastructure in terms which are clear and practical and which eliminate unnecessary questioning of the need for each proposal. For clarity, Government initiatives, such as the work of the Offshore Transmission Network Review (OTNR), particularly the Holistic Network Design, should be directly endorsed within the NPS. Further detail on this is provided throughout our response.
- **Clarity and realism:** the terms of the NPSs should be as clear as they can be on the tests which will be applied to individual projects and they should be realistic in recognising the acceptability of the likely practical implications of the necessary infrastructure. Currently, the NPS lacks sufficient recognition that the scale of necessary nationally important energy infrastructure cannot be delivered without some significant adverse impacts, even after measures are taken to mitigate effects. Such recognitions with the NPSs would directly assist the consenting process
- **Comprehensive:** the NPS policies should cover and provide clear direction on all issues which are likely to be relevant and important in decision making. The draft NPS lacks and should provide clarity in relation to the appropriate approach to community mitigation. This matter is also explored further throughout our response.
- **Proportionate:** the NPSs have an important role to play in ensuring that the consenting process is proportionate, i.e. that it is no longer or more complex than it needs to be, that excessive time or cost is avoided and that there is clarity on the scale of the information expected from the applicant. The draft NPSs does little to encourage a proportionate approach to applications and their assessment, and in fact, generally, more is being expected of applicants.

These themes are expanded on in the Quod review included with our response.

The NPS should be updated further to ensure that it is up to date and in step with the latest government strategy and policy on energy and climate such as the Net Zero Strategy. As has already been noted, the NPS should be consistent with the Government targets such as 40GW of offshore wind by 2030 and the associated infrastructure to connect this ambition, additionally it should align with policy on nascent technologies that are identified as essential for achieving net zero, in particular CCUS, hydrogen and Multi-Purpose Interconnectors (MPIs).

Critically, there should be specific reference and explanation in the main body of EN1 (replacing the current footnote) to the OTNR and on the emerging HND, which is required to establish an onshore electricity infrastructure blueprint.

Additionally, specific reference to the OTNR has wider importance, given its significance to decarbonisation, energy security and affordability and the likely influence on development and deployment of offshore wind and market to market interconnection.

Emerging policy on CCUS and hydrogen is noted, (e.g. reference to commercial models for industrial CCUS) but lacks detail on the significance of CCUS and hydrogen for reaching net zero, associated targets and the importance of key industrial clusters and the BEIS cluster sequencing approach. Reference to Decarbonisation Readiness should be added (to replace the text on Carbon Capture Readiness). Further comment on the need for more information on CCUS and hydrogen is provided in response to subsequent questions.

More broadly, as noted in NPS, the sixth carbon budget set in 2021 requires a reduction in GHG emissions by around 78% by 2035 compared to 1990 levels. The Energy White Paper and the Prime Minister's Ten Point Plan for a Green Industrial Revolution were introduced in the context of the fifth carbon budget. The long-lead-in nature of energy NSIPs means that projects being developed now are relevant to both the fifth (2028 to 2032) and sixth carbon budget (2033 to 2037) which should be made clear within NPS.

Depending on the intentions for future review, the policy may be relevant to the seventh carbon budget due in 2026. Much has changed over the ten-year term of the existing EN1 (2011 to 2021), not least technological advancement and greater emphasis and urgency to decarbonise the energy system. Therefore, consideration should be given to how and when future reviews of NPS will be undertaken to ensure continued relevance of the policy whilst also avoiding policy instability for long-lead-in energy NSIPs.

We welcome the recognition that further technology specific NPS may be designated and added to the suite if it becomes appropriate to do so. It would be helpful to have further clarity on the process to be followed and the relevant timescales for this to ensure the NPS can keep pace with rapid developments in the energy sector (for example hydrogen infrastructure) to avoid the NPSs being a blocker to the infrastructure required to deliver net zero.

*December 2021*