CAPITA

14 February 2017

Electricity Systems Team,
Department for Business, Energy, and Industrial Strategy
4th Floor, 3 Whitehall Place,
London,
SW1A 2AW

Dear Sir,

RESPONSE TO THE DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY (BEIS) CONSULTATION DOCUMENT 'A SMART, FLEXIBLE ENERGY SYSTEM – A CALL FOR EVIDENCE'

On behalf of Capita, I write to you in response to your recent request for views from energy industry players, including new entrants, on questions around how our energy system could be more smart and flexible. I am aware that the closing date for responses has passed. However, I am sure when you read our response you will agree that it makes an important contribution to the assessment of the regulatory approaches available to storage as it is based on practical experience with both the development of the National Infrastructure planning regime and a recent successful planning application under the Town and Country Planning Act.

This response relates to Enabling Storage Question 5 which states *"Do you agree with our assessment of the regulatory approaches available to provide greater clarity for storage? Please provide evidence to support your views, including any alternative regulatory approaches that you believe we should consider, and your views on how the capacity of a storage installation should be assessed for planning purposes."*

I have read your consultation document and note paragraph 22 (page 32) where it states *"For the time being BEIS, the Scottish Government and the Welsh Government agree that a storage facility is a form of electricity generating station. This means that a storage facility with a capacity of >50MW in England and Wales will need development consent as required by sections 15 and 31 of the Planning Act 2008 or Scottish Ministers' consent under section 36 of the Electricity Act."*

Capita does not agree with the interim positon you have taken nor does it believe that the most appropriate regulatory framework for energy storage over 50MW is the Planning Act 2008. Before setting out the specific reasons why we believe the Town & Country Planning Act (TCPA) 1990 is the most appropriate regulatory framework for energy storage consent, I think it is important to advise you that Capita received planning consent in November 2016 under the TCPA regime for the development of a 250MW Energy Storage Facility (ESF) comprising: a battery building to house plant, an administrative building, security fencing and landscaping; the excavation of land for the installation of a 250MW High Voltage Transformer; extension to existing electricity substation to provide additional plant equipment and building; and the provision of

Property and infrastructure
65 Gresham Street, London, EC2V 7NQ
Tel 0207 4211493 www.capita.co.uk/property
Capita Property and Infrastructure Ltd

underground cabling between the battery building, transformer and the substation extension, at Culham Science Centre, South Oxfordshire.

As you are aware, Section 14(1) of the Planning Act 2008 headed *"Nationally significant infrastructure projects: general"* states that:

"(1) In this Act "nationally significant infrastructure project [NSIP]*" means a project which consists of any of the following—*

(a) the construction or extension of a generating station;

(b) the installation of an electric line above ground;

(c)….."

Thereafter Section 15(2) provides for the limitations for generating stations (construction or extension) namely that they should not be offshore and over 50 MW.

In January 2015, Capita sought leading counsel's opinion on the relevant means by which permission for its proposed storage facility should be sought. The advice, which is attached, considered the use of two framework options, the TCPA 1990 and the Planning Act 2008. The conclusion most relevant to Question 5 is that energy storage facilities are not generation stations because they do not create (or generate) energy. They are passive facilities that receive, store and subsequently transmit energy in line with system demands.

Clearly the Planning Act 2008 could be amended to include Energy Storage facilities., However, it is our strongly held view that the National Infrastructure planning regime was never designed to tackle projects of this scale and kind. Furthermore, it is almost certain that in most, if not all, instances that to deem energy storage as NSIPs will delay the progress and delivery of energy storage facilities. There is no evidence to suggest that the process for dealing with NSIP is quicker than the consenting route through the TCPA. The consent for the storage facility at Culham Science Centre took approximately 20 weeks and this included the referral period to the SoS who chose not to call it in.

Furthermore, NSIPs are major infrastructure developments in England and Wales, such as proposals for power plants, large renewable energy projects, new airports and airport extensions, major road projects etc. NSIP was not meant to capture medium scale developments. Generally, energy storage facilities comprise a building resembling a large light-industrial warehouse housing battery arrays; hardly of the same scale, complexity and national significance as a new power plant or airport.

We believe that applying the NSIP framework to energy storage development over 50 MW will only add unnecessary cost and delay to energy storage projects.

I am, therefore, convinced that the most appropriate framework for which planning consent should be sought for energy storage development is the Town & Country Planning Act 1990.

Yours faithfully,

Richard McCarthy CBE
Senior Director - Strategic Services,
Capita PLC
M: 07771 705 384
T: 020 7654 2183
E: richard.mccarthy@capita.co.uk