

Consultation: Future of local energy institutions and governance

May 2023

About Lightsource bp

Lightsource bp is a global leader in the development and management of solar energy projects, started and headquartered in the United Kingdom. We are a 50:50 joint venture with bp with a mission to help drive the world's transition to net zero. We have spent over a decade driving solar forward, from development right through managing and operating solar projects across our global portfolio. Since 2010 the company has expanded its presence to 19 countries across the world and to date has developed hundreds of solar projects, with a total energy capacity of 8.8GW.

The company are firmly committed to contributing to the achievement of the climate and clean energy objectives of the United Kingdom, which is evidenced by its current growth ambition as it is now aiming to deliver 25GW of developed projects by 2025.

Lightsource bp Response to Consultation Questions

Q1. Do you agree with our proposal to introduce Regional System Planners as described, who would be accountable for regional energy system planning activities? If not, why not?

- Lightsource bp is aligned with the proposal to introduce the Regional System Planners which would have responsibility to plan “whole system” coordinated development – the need for strategic investment for system upgrades is paramount for the UK to reach its Net Zero targets. The issues highlighted in 2.14 are consistent with our experiences across the UK currently and consequently we are seeing grid offers in the late 2030s which are completely incongruent with the Power Sector Net Zero by 2035 and the UK Net Zero by 2050. Please note we are also seeing connection offers being pushed to the late 2030s where we'd been provided grid offers in the mid and late 2020s. Further, the role appears to include responsibility to coordinate more with Local Authorities, we believe this is critical as Local Authorities must be made aware of the significance of regional capacity constraints and that where there is existing Grid Capacity this should provide further weighting in favour of renewable energy projects. To be fully “whole system”, the RSPs will need to consult with renewable developers to ensure strategic investments are delivered where real interests lie.

Q2. What are your views on the detailed design choice considerations described?

- We support the view that there should be a central single independent actor and that the FSO would naturally be the best placed organisation to fulfil this role. This should also result in greater connectivity, consistency, and strategic planning (and associated investment) between the transmission and distribution system.

Q3. Do you have views on the appropriate regional boundaries for the RSPs?

- We believe the FSO should consider geographical boundaries rather than choosing either the electricity or gas regional boundaries.

Q4. Do you agree that the FSO has the characteristics to deliver the RSPs role? If not, what alternative entities would be suitable?

- We agree the FSO has the characteristics to deliver this role. However, as the purpose of this work is to reflect the regional energy ambitions the FSO has to work very closely with the Local Authorities and other local actors. The alternative entities who can deliver this role are the Local Authorities themselves however they are not regulated and there wouldn't be a single actor governing these LAs for this work for consistency purposes.

Q5. Do you agree with our proposal for a single, neutral expert entity to take on a central market facilitation role? If not, why not?

- We agree.

Q6. Do you agree with the allocation of roles and responsibilities set out in Table 2? If not, why not?

- “Evaluating and Selecting Options” shouldn't be carried out by the DNOs to ensure transparency and impartiality.

Q7. Are there other activities that are not listed in Table 2 that should be allocated to the market facilitator or other actors?

- There is a work activity related to identifying a flexibility service opportunity. This activity is currently carried out by the DNOs and can be kept with the DNOs.

Q8. What are your views on our options for allocating the market facilitator role?

- We agree with the options. The interactions with the transmission market is critical therefore the FSO has an edge over a newly created independent body.

Q9. Are there other options for allocating the market facilitator role you think we should consider? If so, what advantages do they offer relative the options presented?

- No

Q10. Do you agree that DNOs should retain responsibility for real time operations? If not, why not?

- We agree. The DNOs have the expertise and customer relationships that cannot be replaced.

Q11. What is your view on our proposed approach to the undertaking of an impact assessment as outlined in Appendix 1?

- Agreed.