

# Essex County Council's Response to the Ofgem consultation on the proposed Regional Energy Strategic Plan policy framework

## Executive Summary

Essex County Council (ECC) has ambitious plans for Essex to be net zero by 2050, while also achieving the four key strategic aims as set out in our “Everyone’s Essex” organisational strategy – Economy, Environment, Health & Wellbeing and Families. We welcome and encourage a move towards a new regional energy system that will be better able to meet the needs of our residents and businesses, within a more effective policy framework to support net zero delivery.

The plans for RESPs match our own ambitions to support a whole-system, place-based, and vision-led approach to decarbonization and energy planning. It is important to note that this approach can ensure a fair and just transition to a low carbon future, where no one is left behind and all our communities can benefit. We strongly encourage any move to regional energy planning to include meaningful policies and ambitions that support a just transition.

It is our strong belief that local government has an important role to play as a strategic partner in planning investments and improvements in our energy system. We, along with our District and Borough Council colleagues, have a deep understanding of our local priorities and communities. We are best-placed to support decision-making on investment priorities in our region. However, as net zero and energy planning are not statutory duties, governance structure around these issues can be disjointed and sub-optimal, especially as local government budgets are already stretched. For RESPs to deliver on their ambitions, local authorities at all tiers and levels will need to be resourced appropriately. If they are not, there is a very real danger that the RESPs will be hamstrung and unable to meet objectives.

## Responses to the questions set in the consultation document

### Chapter 2 – Laying the RESP Foundations

**Q1: What are your views on the principles (in paragraph 2.8) to guide NESO’s approach to developing the RESP methodology? Please provide your reasoning**

- **Be Place-based:** We very much support this principle but would like more clarity on how it will be implemented at scale while meeting local needs. It is not clear how this will be achieved. We also have concerns about the large geographies mentioned and whether they can truly reflect “place”.
- **Be Whole system:** Agreed, and we would emphasize that aligning diverse stakeholder expectations across gas, electricity, heat, transport, and industry will be required. We would also emphasise the need for energy demand reduction to be part of a whole system approach, ensuring measures to use energy efficiently are adopted at every opportunity.
- **Be Vision-led:** Supportive but we stress the need for realistic objectives and pathways that acknowledge practical limitations. The vision must be achievable and realistic, otherwise we risk undermining the legitimacy of the whole project, disappointing and underwhelming our

communities, which will likely reduce confidence and willingness to continue active participation.

- **Be Proactive:** Agreed, with emphasis on agility and adaptability to account for uncertainties.

The principles set out in paragraph 2.8 appear sound. The place-based and whole system approach is particularly welcome to inform clear pathways to long term zero carbon objectives. From a National Strategic Infrastructure (NSIP) perspective, this alongside national policy would be pertinent in the overall assessment and would assist in that work.

The support for local net zero ambitions is welcomed, but we would highlight the need for resources and funding for local authorities to engage meaningfully.

We also think that RESPs should be designed to include all citizens and leave no one disadvantaged by its actions or proposals. Vulnerable households and areas of deprivation should be at the very front of mind when designing RESPs. These ideas of ensuring fairness in the low carbon transition often come under the umbrella term “Just Transition”; we would support greater emphasis being placed on these issues as local authorities can support through a range of existing projects, services and partners with relevant agencies such as Citizens’ Advice, Localities teams etc.

We understand that there can be differing definitions of the term “Just Transition”, however we feel that if the RESPs have a clear objective to be genuinely “place-based”, then this means ensuring all our communities are able to benefit and no is left disadvantaged. This could be strengthened by adding a 5<sup>th</sup> principle along the lines of “Be Fair and Just”, or it could be meaningfully weaved into the policy framework in other ways. In any case, we strongly recommend that RESPs are clear that achieving “just” outcomes are a key objective of the whole process.

## Chapter 3 – Key Building Blocks of the RESP

**Q2: Do you agree that the RESP should include a long-term regional vision, alongside a series of short-term and long-term directive net zero pathways? Please provide your reasoning.**

We agree on the need for a long-term regional vision that can set the overall strategy. We emphasize that this will require cross-boundary collaboration and regular updates to maintain relevance. Additionally, we very much welcome the recognition that there needs to be a “framework of support”<sup>1</sup> in place so that local authorities have capacity to fully engage with the energy planning process – both local and strategic.

We also agree on the need for short and long-term directive net zero pathways. Combined with the long-term vision, this will enable a multi-faceted approach with room for agile projects within the scope of the plan. The directive pathways will be of particular importance to advance net zero infrastructure and should involve collaborative two-way engagement around the production of the RESP alongside spatial planning by local authorities.

We fully support the view that it would be beneficial to have a longer view for investment planning alongside the short-term time horizon of 5 years. We note that up to 10 years is suggested for the long-term pathway, however, it would be useful to consider longer time horizons to align more with Local Authority Local Plans that work on a 15 year (or more) time horizon.

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<sup>1</sup> p.21 of the consultation document, in the section summary of Chapter 3 “Key building blocks of the RESP”

We also welcome the proposed approach to modelling supply and demand, as well as the recognition that “all pathways must deliver net zero”. The net zero pathways should, however, also include the requirement for all new residential development to be “net zero” in a way that covers total energy use of a building and achieves annual operational energy balance on site and from the point of occupation. This approach will make sure that energy use in homes is kept to a minimum, and that energy generated (via rooftop solar PV) is mostly used as close to source as possible – and so will significantly lessen the pressure on the grid and support efficient operation of the grid. Support for this approach through the local plan making process, including at Examination by the Planning Inspectorate, would be very welcome.

**Q3: Do you agree there should be an annual data refresh with a full RESP update every three years? Please provide your reasoning**

We agree with the need to keep up with change and development on a regular basis. Being up to date is vital for the legitimacy of the activity and its resulting outputs. The timeline of a data refresh annually is sensible, as is a full update every three years. Where possible, however, it may be worthwhile to have a more regular full update, e.g. every two years, given the importance of up-to-date information to support planning.

However, local authorities need to be appropriately resourced to provide the necessary data on an annual basis. Providing local government data from the sources listed is resource intensive and additional funding will be needed for both County and District tier authorities. There is considerable variability in terms of data density and competency across local authorities, and this needs to be addressed and appropriately resourced.

**Q4: Do you agree the RESP should inform the identification of system need in the three areas proposed? Please provide your reasoning, referring to each area in turn.**

Yes, we agree on the importance of consistent assumptions, spatial context, and strategic network investment, and support a whole system view that aligns with local plans and reduces costs to consumers.

Consistent assumptions are essential to ensure a uniform picture of progress and potential.

The spatial context for capacity needs is fundamental.

We suggest that one of the key roles of the RESP is precisely to inform strategic network investment by providing coordination between local need and infrastructure delivery. From a NSIP perspective, the coordination of projects to ensure efficient delivery of necessary infrastructure is both critical in terms of public perception but also financial cost.

**Q5: Do you agree technical coordination should support the resolution of inconsistencies between the RESPs and network company plans? Please provide your reasoning.**

We agree, and would strongly support finding the *most effective solution to inconsistencies*, rather than simply the cheapest or the easiest. The emphasis should be on meaningful local engagement and adequate resourcing.

We also fully support the need for a whole system view that covers different vectors and that increases the efficiency and effectiveness of decarbonisation measures and reduces costs to consumers. We would recommend that this approach informs and aligns with Local Plans which both guide the location and type of new development but also set out the standards (beyond the minimum Building Regulations) that new development must be built to. Reducing energy demand from new homes and buildings in the first place is a key objective, alongside tackling fuel poverty and improving health and wellbeing.

**Q6: What are your views on the three building blocks which come together to form the RESP in line with our vision? Are there any key components missing?**

We broadly agree with the three building blocks. However, we suggest a more explicit role for community energy groups or local community actors in shaping the RESP, embedding the place-based nature of the vision. Similarly, there should be greater focus on just transition themes and ensuring the RESP delivers benefits for all residents and places within the region.

**Q7: Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.**

We broadly agree with the framework of standard data inputs. A framework for standard data inputs would improve the quality and legitimacy of decision-making. However, we have concerns about data quality and the lack of resources for local authorities to deliver this work. There is a high emphasis on local government input, which is an appropriate goal, but there is variability in the quality of data supplied by often under resourced local authorities. Net zero and energy planning are not statutory duties, and these responsibilities often sit within different functions or departments, and in some cases do not exist at all. Without adequate and appropriate resourcing, both County and District level authorities will struggle to provide the required data.

The data inputs seem sound, but there should be flexibility so that the framework can incorporate emerging technologies.

**Q8: Do you have any suggestions for criteria to assess the credibility of the inputs to the RESP?**

We suggest that significant weight should be given to data from local authorities that form part of their evidence base for local plans, as this has been prepared to reach the high-quality standards necessary to withstand scrutiny by an inspector at public examination.

We also emphasise that adequate resourcing for local actors is essential to enable meaningful engagement and impact. We support the facilitation of engagement with all local actors, which needs to include the 2 tiers of local government (county and districts) as both have important data and a role in planning the future of their areas. This will require significant long-term resource to ensure local authority capacity to enable meaningful and proactive engagement. Providing the local government data listed in Table 2 (p.30 of the consultation document) is resource intensive and additional funding would be needed for both tiers of authorities.

Data from local plans should include both adopted and emerging plans to ensure they are up to date. It can take 5 years to review a plan but during that time the spatial strategy is becoming more established and certain.

When assessing net zero targets and plans, we need to be aware of the definition of net zero being used. A focus on energy use and demand is important, and we should look to reduce demand as much as possible alongside decarbonizing the grid.

We also support and welcome the feedback into local plans that NESO will offer. However, it is stated that there will be no direct role for NESO in the development of local plans. We recommend that the RESP should play a consultee role and NESO should ensure that this is meaningful and relevant. For example, the RESP should provide detailed information and timely advice on sites being considered for allocation in local plans.

**Q9: Do you agree with the framework for local actor support? Please provide your reasoning**

We strongly agree on the need for local actor support. However, local actors need adequate resourcing to enable meaningful engagement and impact to occur.

Likewise for local authorities; full engagement from local authorities would be dependent on capacity, so this and many other potential upcoming increases in the role of LAs to deliver net zero need to be resourced appropriately.

We welcome that the RESP will support LAEPs led by local authorities, but the coverage of these are patchy, as recognized in the consultation document. This is primarily due to a lack of funding and resource and this needs to be addressed to enable all areas to benefit from coordinated energy planning at a local level.

We also welcome and support the role of the RESP to aid the consideration of energy in spatial planning. We would recommend that this includes all aspects of energy, including support for planning to ensure new homes and buildings are as energy efficient as possible and maximize opportunities for building integrated renewable energy generation. The proposed structures to facilitate this are welcomed but they rely on local authorities in both tiers to have the resources to engage in the process in a meaningful and proactive way. This resourcing is non-existent at district level and very limited at county-level. This needs to be addressed urgently if this system is to work in practice. It is imperative that funding and resourcing is provided to local actors alongside the RESP.

## Chapter 4 – Regional Governance

**Q10: Do you agree with the purpose of the Strategic Board? Please provide your reasoning.**

We broadly agree with the purpose of the Strategic Board, but we stress the need to ensure a full range of stakeholder views are reflected. The working groups will need to be truly representative of place, so we would expect the relevant Strategic Board members to appoint the working groups rather than NESO.

We agree on the importance of including representation from network companies and cross sector actors. This will provide an optimal range of viewpoints and expertise to support practical and achievable outcomes.

**Q11: Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?**

The proposals for the Strategic Board currently only include upper tier local government. However, it is lower tiers (i.e. the Districts) that prepare local plans. A coordinating role would have to be provided at County level, which would need to be appropriately resourced, but Tier 2 district authorities should be involved too, especially when discussion is related to specific places. This would also support the coherence between energy planning and local spatial planning.

However, we recognize that having all district authorities represented on the SB would be unwieldy, so maybe a more flexible, agile approach is needed? Perhaps, the role of the working groups and ensuring they retain significant input from districts is a more achievable and sensible route?

The Government's NPPF consultation (closed on 24 September 2024) proposes bringing in a role for strategic spatial planning – and may include the preparation of Spatial Development Strategies (SDS). Support for this approach by Ofgem through the NPPF would be welcome as it would help with the co-ordination and integration of spatial planning with the RESP too.

**Q12: How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.**

Actors should be represented by colleagues who operate across both strategic and operational functions within their organizations, to keep discussion focused on enabling actual delivery as well as planning.

We suggest a balanced approach to avoid the Board becoming unwieldy, with a coordinating role for Tier 1 authorities. However, we emphasize the importance of including and recognizing Tier 2 authorities as their input will be essential. We also emphasize the need for these responsibilities to be appropriately resourced.

## Chapter 5 – Boundaries

**Q13: Do you agree with the adaptations proposed for Option 1? Please provide your reasoning.**

We are in general agreement, but with some concerns about the large geographical areas. Please see our response to Q15.

**Q14: Do you agree with our assessment that Option 1 is a better solution than Option 2? Please provide your reasoning**

Our preference is for Option 1, with some concerns about large geographical areas.

**Q15: Do you agree a single region for Scotland is optimal? If you think a two region solution is better, do you agree the split should occur at the SSEN and SPEN DNO boundary? If not, please provide your reasoning and alternative option(s).**

As Scotland is quite large geographically, we wonder if there should be at least two regions.

As a general comment on the suggested boundaries, we consider them to all be too large. The relevant ambition to “work closely with stakeholders to understand the specific characteristics of their respective regions and ensure the framework is implemented in a way which reflects different local circumstances” is welcomed. However, we have concerns that the geographical areas are too large to truly reflect the specific regional characteristics.