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**Environmental Action Plan:
Power station consents**

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1. Introduction

Purpose of this document

- 1.1 This document is published electronically in conjunction with Ofgem's Environmental Action Plan. It is designed to provide more detailed background information on power station consents than is possible in the main Environmental Action Plan.

2. Power Station Consents

Legislative framework for major electricity works

- 2.1 Proposals for new power stations and new overhead lines are subject to a system of statutory consent. Power stations over 50 MW are subject to the consent of the Secretary of State for Trade and Industry in England and Wales, under section 36 of the Electricity Act 1989. (In Scotland, this is now a matter for the Executive). Stations of 50 MW and below are subject to consent from local planning authorities under the normal planning regime. In addition, any power station proposal of 10 MW or more which is proposed to be fuelled by natural gas or oil has to seek clearance for the Secretary of State for Trade and Industry under section 14 of the Energy Act 1976. All higher voltage overhead line proposals must obtain development consent from the Secretary of State for Trade and Industry in England and Wales, under section 37 of the Electricity Act 1989. (In Scotland this is now a matter for the Executive).
- 2.2 Section 36 and 37 of the Electricity Act provide for the views of the local planning authority, the local community and statutory bodies such as the Environment Agency, Countryside Agency and English Nature to be brought into the decision-making process. All applications are sent to the local planning authority and if that authority objects the Secretary of State is obliged to call a public inquiry. Even if the local planning authority does not object, the Secretary of State has a discretionary power to call a public inquiry in the light of other views received.
- 2.3 In processing cases, DTI considers the environmental consequences of what is proposed. Most power station cases have a formal environmental impact

assessment carried out. With overhead lines, the most significant projects have a formal environmental impact assessment. Even if a formal environmental impact assessment is not called for, in practice developers will carry out some form of environmental assessment. This can take the form of a more limited environmental report or, at a minimum, a statement on how the proposal complies with the company's amenity duty set out in Schedule 9 of the Electricity Act 1989.

- 2.4 The Electricity Works (Environmental Impact Assessment) (England and Wales) Regulations 2000 updates the conditions of environmental impact assessments of power stations and electricity lines. The regulations set thresholds for compulsory assessments for certain overhead powerlines and windfarms and add more requirements to the structure of assessments, the need to consider alternatives and public information provisions.
- 2.5 In granting consent the Secretary of State will normally also give 'deemed' planning permission with a number of planning conditions attached to mitigate the impact of the development in terms of noise, access, landscaping etc. These requirements will arise out of the consents process and often will be a condition of the local planning authority not objecting to the proposal.
- 2.6 The criteria for Section 36 and 37 cases are: their acceptability in energy policy terms; and whether there are planning/environmental grounds for refusing consent. With power stations the energy policy terms are set out in an October 1998 White Paper¹ (see below). On overhead lines the energy policy terms are that the companies have a statutory duty under the Electricity Act 1989 to develop and maintain efficient, co-ordinated and economical networks. On planning/environmental grounds the Department will take into account planning policy guidance, circulars, structural plans and local environmental issues.

Review of energy sources for power generation

- 2.7 In October 1998 the Government published its Conclusions of the Review of Energy Sources for power generation. The review assessed medium and longer term scenarios for the development of generating capacity and sources of fuel

¹ Conclusions of The Review of Energy Sources for Power Generation and Government response to fourth and fifth Reports of the Trade and Industry Committee. DTI. October 1998

supply for generation and considered the implications of high levels of dependence on any particular fuel, notably the growing dependence on gas. The Review was based on the Government's overriding energy policy objective of ensuring secure, diverse and sustainable supplies of energy at competitive prices, and took account of the objective of sustainable development which includes environmental, economic and social targets. The Review focused on how to arrange the electricity generation in Great Britain to best meet these objectives.

2.8 In the Review the Government emphasised its responsibility for ensuring that energy plays a proper role in sustainable development by ensuring that renewable energy sources, CHP and energy efficiency measures continue to be developed and that environmental considerations are taken into account. The Government also stressed its responsibility for ensuring that any new framework established did not prejudice energy security and diversity. The Review found that the rapid introduction of new gas-fired generation was putting security and diversity of supply at risk. Furthermore, the growth rate of gas-fired generation did not appear to be justified by the underlying economics. Instead, the boom was the result of a number of significant distortions in the operation of the wholesale market for electricity (the Pool), and due to inadequate competition, particularly in the coal fired generation sector. The distortions relate to the operating of the electricity Pool. Baseload generators (including gas fired and nuclear powered plant) in practice bid into the Pool at zero, or near zero, in the knowledge that in all likelihood they will receive the higher price set by the more flexible coal plant.

2.9 The Government took action on the review through a major programme of reform in the electricity market, in conjunction with Ofgem. There was a risk that fuel choice would be distorted and diversity and security of supply would suffer in the interim. To avoid any problems, the Government introduced a stricter policy for power station consents, whereby applications for new natural gas-fired generation would be treated as counter to DTI's energy policy objectives of security and diversity and would generally be refused. Applications would continue to be treated on a case by case basis and exemptions were to be made for e.g. properly - sized, good-quality CHP.

- 2.10 The Review noted that it was not possible to quantify the impact of the new energy policy framework on emissions. However, the new policy did not put the achievement of the Government's environmental commitments at risk and was consistent with emissions from the electricity sector declining from 1997 levels. The review stressed that any increase in CO₂ emissions as a result of the stricter consents policy had to be weighed against the benefits of the policy in terms of diversity and security of supplies and the resource use aspects of sustainable development.
- 2.11 The Government lifted the stricter consents policy on 15 November 2000 when plans for the New Electricity Trading Arrangements, to come into force in March 2001, indicated that all the competition concerns of the 1998 review has been adequately addressed. At the time of the announcement five applications that had been put on hold were immediately granted consent. The Government also launched a subsidy scheme, pledging £110 million to help the coal industry cope in the open competitive market. Lifting the stricter consents policy now allows new gas stations that are genuinely competitive to contribute to greater energy efficiency and reductions in carbon emissions.

Planning and renewables

- 2.12 Planning Policy Guidance (PPG) notes set out the Government's policies on different aspects of planning. They are to be taken into account by local authorities as they prepare their development plans, and they may be material to individual planning applications and appeals.
- 2.13 The PPG on renewables² sets out the various instruments of policy, outlines relevant environmental protection legislation and explains how local planning authorities should include renewable energy policies in their plans. It states that authorities should include their general policies and proposals for providing renewable energy in their areas in development plans. They also should indicate what account they have taken of renewable energy, and the potential for exploiting it, in formulating their general policies and proposals.
- 2.14 Difficulty in obtaining planning permission has been perceived as a barrier to the development of renewable energy projects in the UK. To date, around 89%

of renewable projects have gained planning permission, which is in line with national acceptance rates for other types of planning applications³. However, when examined across the range of renewable energy technologies, success in gaining planning permission varies greatly.

- 2.15 Most renewable energy plants are below 50MW in size and therefore submit planning applications direct to Local Authorities. Local Authorities then look to both regional and national planning guidance to provide help in assessing these applications. Regional Sustainable Development Frameworks and Structure Plans should also provide strong guidance to Local Authorities on how renewables are to be developed within an area. There is a need to raise the profile of renewable energy within all of these documents in order to provide clearer guidance for planning decisions.
- 2.16 The national planning guidance note on renewable energy was issued in 1993 and has been supplemented by Ministerial policy statements on the contribution of planning to meeting goals and targets for renewable energy and climate change. DTLR have recently stated that they will review PPG22. The Scottish Executive have developed new national planning guidelines (NPPG6), which lend more support to renewable energy developments, and this has already had a positive impact on new applications. The Welsh Executive is also now in the process of updating its national guidance.

² PPG22 Department of the Environment February 1993

³ Figures based on all renewable energy projects up to and including Dec 2000 – data collected by ETSU and the New and Renewable Energy programme.