

Andrew MacFaul  
Consultation Co-ordinator  
Ofgem  
9 Millbank  
London  
SW1P 3GE

PO Box 444

LINCOLN LN6 3YL

TEL: 01522 852390

FAX: 01522 852393

EMAIL: [info@lincolnshire-enterprise.com](mailto:info@lincolnshire-enterprise.com)

WEB: [www.lincolnshire-enterprise.com](http://www.lincolnshire-enterprise.com)

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Dear Sir

### **Electricity Distribution Price Control Review Policy Paper**

Thank you for the opportunity to comment on this consultation. It is becoming increasingly important that local authorities and their partners in Local Strategic Partnerships develop a greater understanding of the provision of infrastructure to support the delivery of Sustainable Community Strategies and Local Development Frameworks.

Lincolnshire Enterprise is a partnership which champions economic development in Lincolnshire. We are members of the Lincolnshire Assembly, the Local Strategic Partnership for the Lincolnshire County Council Area, which is responsible for producing a Sustainable Community Strategy for the County. This Strategy will help co-ordinate and improve delivery of services to the residents and businesses of Lincolnshire. It will in turn influence the Local Development Frameworks (LDFs) that will provide planning policy across the County. The District based LDFs will identify key locations for new homes and economic development, and therefore we consider that our contribution to this consultation is essential.

Lincolnshire Enterprise has been working with partners to look specifically at the infrastructure and utilities issues within Lincolnshire which will inform the development of LDFs and in turn growth of the county's economy. Building on the insights and outputs generated from this work, we would like to make a number of points on the Electricity Distribution Price Control Review Policy Paper, under the following topic areas.

- 1 Utilising existing capital under spend to support current development proposals
- 2 The opportunity for (Distribution network Operators) DNOs to engage in the Infrastructure Delivery Programme element of LDFs to develop more effective investment plans to support pricing proposals
- 3 Implications for changes in planning policies to promote more renewable energy plants
- 4 Support for the proposed Apprenticeships programme

#### *1. utilising existing capital under spend to support current development proposals*

As you will be aware the Planning and Compulsory Purchase Act 2004 requires that all LDFs are supported by an Infrastructure Delivery Plan (IDP). The IDP will demonstrate that the delivery of infrastructure and development will be closely aligned, utilizing where possible existing budget streams.

The Lincolnshire Authorities, in partnership with Lincolnshire Enterprise, have commissioned a Utilities study demonstrating the issues facing the development of a number of key economic development sites, with a view to focusing investment on a number of specific sites to make the most from the available investment. Some of the subject sites are disadvantaged because of perceived shortfalls in the electricity supply. Reference to this study, and discussion with Lincolnshire Assembly and the appropriate local authorities could identify investment opportunities, to utilise the shortfall in spending before 2010 in a way that would have a significant benefit for the local economy. The reinforcement of the network to support the development of these sites could potentially aid future development. The local authorities would be welcome the opportunity to discuss the implications of the Utilities study with the appropriate DNOs with a view to utilizing under spend and delivering economic growth across the County

*2. The opportunity for (Distribution network Operators) DNOs to engage in the Infrastructure Delivery Programme element of LDFs to develop more effective investment plans to support pricing proposals*

As a more general principle the IDP should require close liaison between the Local Planning Authorities and the infrastructure providers to ensure that the relationships between each plan are fully understood. To ensure that infrastructure is provided with development, and where necessary, development is phased or restricted to take account of the infrastructure network

The DNOs state that the under spend arises due to ambitious planning or unrealistic proposals The IDP concept would appear to offer an opportunity for the DNOs to prepare more accurate investment plans, and reduce the potential for under spend in future funding programmes. A greater understanding of the timetable of proposed development across the DNO region could help provide a more accurate understanding of the expected growth in demand on the network in different locations, and conversely a greater understanding of the electricity distribution network will allow for better planning of future development by the Local Authorities

The Councils are specifically concerned because of the level of investment required to support new development promoted in the emerging Regional Spatial Strategy. The level of development for the County proposed by the Regional Spatial Strategy for the East Midlands will result in individual districts growing by 30 to 40 % between 2001 and 2026. Part of the strategy to deliver these new homes will require the development of substantial urban extensions. At Lincoln approximately 8,000 homes plus 50 hectares business park, across three urban extensions, whilst at Grantham two extensions are expected to deliver 8000 homes and 7500 homes will be built on extensions to Gainsborough. It is likely that all of the above will require substantial reinforcement of the Electricity distribution network (together with a whole range of other investment) especially if new neighbourhood power stations are included in the developments.

When promoting development sites, landowners, developers and the Councils will have to be able to demonstrate that the development will have appropriate infrastructure, whether this is power, flood defence, schools or roads. This infrastructure will have to be funded. Guidance from the CLG states that when preparing an infrastructure delivery plan delivery must be funded by existing budgets wherever possible and only in the last

resort should the developer be required to make a contribution via a Legal agreement or the proposed Community Infrastructure Levy.

We would therefore request that the Electricity Distribution Price Control Review Policy Paper highlights the requirement for the DNOs and Local Authorities to work together on the production of IDPS, to better co-ordinate development of new homes and businesses with upgrades to the Electricity distribution networks.

### *3. Implications for changes in planning policies to promote more renewable energy plants*

We are also interested in the implications of changing government policy on the production of renewable energy. The Regional Spatial Strategy will have to be revised to promote new targets for the delivery of renewable energy sources. As a result the number of renewable energy plants across the east midlands is only likely to increase in the period 2010/15. One can only conclude that more formal power plants are to be provided, which will need connection to the electricity distribution network.

The trend appears to be for such plants, whether wind farms, energy from water plants of biomass power stations to be located away from traditional power generators, thus necessitating significant investment in the electricity distribution network. A Biomass power station has recently received planning consent in the County, and a planning application is currently under consideration for an Energy from waste plant near Lincoln, both of which will need connection to the national grid

The Code for Sustainable Homes, and the governments drive for zero carbon development will probably result in the development of a number of smaller scale neighbourhood power stations that will require connection to the grid. These may be provided as part of urban extensions and strategic development sites. There is a clear need for the DNOs to advise Local authorities of the implications of proposals for power generators within developments and to consider the impact on the DNOs investment plans

We would also request that this duty be highlighted to the DNOs.

There is also clearly a need for the DNOs to have a greater role in preparing, and a greater understanding of the implications of, regional policies will be essential. A fact which should also be stressed in the strategy document

### *4. Support for the proposed Apprenticeships programme*

We also note the commitment to the training of new apprentices. We welcome this commitment and will seek to work with the appropriate DNOs to help put appropriate candidates in contact with the opportunities, as part of the responsibility for the new national apprentice scheme and the increase in school leaving age to 18, as provision of apprenticeships will help meet the duties of the Local Education Authority and help encourage the retention of young people in the County, whereas at present large numbers of young people leave the County in search of opportunity.

Thank you again for the opportunity to comment on the consultation. As you will hopefully understand that this is a recent area of interest for us, brought on us by

by necessity and we would welcome the opportunity to clarify any queries that you may have with the consultation.

Yours faithfully,



**Andrew Thurston,**  
Chief Executive,  
Lincolnshire Enterprise