



Response to Scottish Government's Call for Ideas on the fourth National Planning Framework

Thank you for the opportunity to engage at this early stage of the draft process for the National Planning Framework for Scotland 4 (NPF4).

Executive Summary

SP Energy Network's (SPEN) is part of the Scottish Power Group of companies. SPEN owns and operates the electricity distribution networks in the Central Belt and South of Scotland (SP Distribution) serving 2 million customers. We also own and maintain the electricity transmission network in the Central Belt and South of Scotland (SP Transmission). In addition, we hold a third license for electricity distribution (SP Manweb) which serves 1.5 million customers in Merseyside and North Wales".

SPEN is responsible for the operation, maintenance and continuing development of the distribution and transmission networks across our network areas. We therefore have extensive experience of environmental and planning matters in Scotland, England and Wales.

As regulated networks businesses, our revenues and outputs are controlled closely within a regulated price control framework. The current price control period for our transmission business is RIIO-T1 which ends in March 2021. The RIIO-ED1 frameworks governs our 2 distribution businesses and is due to end in March 2023. These price control frameworks are closely governed by the energy regulator, Ofgem. Both frameworks are currently in the process of being updated in advance of the next price control periods RIIO-T2 and RIIO-ED2 which will be operational from April 2021 and April 2023 respectively. Negotiations are currently ongoing between Ofgem and the network companies as these new frameworks are designed.

Once these frameworks are agreed and finalised by Ofgem, SPEN has limited scope to change our agreed investment plans, particularly to account for new, additional expenditure. SPT submitted its finalised Business Plan for the forthcoming RIIO-T2 period in December 2019, with SPD's finalised Business Plan for RIIO-ED2 to be submitted in 2021. It is therefore important that SPEN are in a position to operate within the price control mechanism during these times without significant or unforeseen change to the overall requirements imposed by the planning system. Having said that, SPEN fully support positive change which will ensure an efficient and robust planning framework in Scotland which assists in the delivery of essential national infrastructure.

The proposed 10-year period of National Planning Framework 4 (NPF4) will cover both the RIIO-T2 (and future RIIO-T3) and RIIO-ED2 price control periods. These periods will see continuing and significant levels of investment in modernising and strengthening Scotland's electricity network to ensure it can continue to meet the current and future demands of consumers and business in Scotland and the UK. For RIIO-T2, this equates to a planned investment in our transmission network of £1.375bn from 2021 to 2026. This vital investment will allow for at least a further

900MW of renewable generation to connect to our networks and ensures our infrastructure (such as transformers, overhead lines and underground cables) can adapt to meet the increasing demands being placed on the electricity system. Investment of this scale will ensure that we continue to provide electricity users across Britain with a safe, reliable and efficient supply of electricity.

Furthermore, SPEN fully recognises the importance of the NPF and the role that this plays, and will continue to play, in delivering the Scottish Government's ambitions to transition to a Net Zero economy by 2045. Recognising that electricity networks are a facilitator for decarbonisation, the Scottish Government's Net Zero ambitions are at the heart of our network investment plans.

To support the Scottish Government in the delivery of its Net Zero ambitions, it is critical that the NPF4 creates a clear and positive vision, which recognises the importance of a strong and resilient electricity supply network in facilitating a wide range of developments that will contribute to achieving Net Zero, such as the roll-out of electric vehicle (EV) charging, the electrification of Scotland's heating requirements and the connection and repowering of onshore and offshore renewables.

It is therefore key that the finalised NPF4 recognises, and is fully supportive of, the essential role electricity networks play in delivering clean renewable energy to Scotland's homes and business and delivery an efficient and timely transition to a low carbon economy.

Response to call for ideas:

With the imperative need to progress towards delivery of the Net Zero target, and the lead time for consents on major electrical infrastructure projects, SPEN considers it of the utmost importance the following matters are included in the draft NPF4:

Question 1. What development will we need to address climate change?

Priority Areas for Onshore Renewables

SPEN continues to support the Scottish Government's approach to highlighting the importance of strategic grid infrastructure within the NPF and expect this to continue, if not promoted more forcefully, within NPF4. In addition, SPEN would welcome consideration being given to the development and introduction of a spatial strategy which would guide onshore renewables development in Scotland. In SPEN's view, the lack of a clear and robust spatial strategy at national level has led to a 'reactive' and often piecemeal approach to planning the electricity network.

In recent weeks the UK Government has proposed that the latest round of Contract for Difference (CfDs) auctions to be held in 2021 will allow mainland onshore wind farm projects to participate. Given Scotland's wind resource and scale of renewable ambition, we assume that the next CfD auction will lead to an increase in the steady demand for connections to SPEN's transmission and distributions networks during the NPF4 period. Identifying 'Priority Areas'¹ where onshore renewables might be considered would allow an element of engagement and forward planning for the network which is not always possible under the current Local Development Plan (LDP) led system, allowing SPEN, and other network operators, to proactively plan and invest in our electricity networks to increase potential capacity as generation demand increases. It is therefore considered essential that the finalised NPF4 does not just support the growth of renewable energy generation in Scotland but also supports the efficient deployment of the required strategic infrastructure which facilitates this growth, transporting it to the businesses and homes which will rely on it. However, it

¹ Similar to those proposed for the National Development Framework in Wales

is acknowledged that such a strategy would require engagement from various stakeholders to ensure a balanced approach which in no way constrains the development and deployment of onshore and offshore renewable projects.

SPEN believes that a spatial approach to renewables deployment further supports the case for the timely planning of the necessary strategic grid infrastructure, focusing on areas of the network where additional capacity is required to support the Scottish Government's renewables targets.

EV Charging

SPEN is strongly supportive of the Scottish Government's ambitious target to phase out the need for new petrol and diesel cars in Scotland by 2032. To achieve this, the existing low voltage distribution networks, designed in the mid-20th century, will see a significant change in utilisation and will need to be enhanced to support the roll out of the necessary EV charging infrastructure. SPEN is therefore proud to be part of a Strategic EV Partnership with the Scottish Government and Scottish and Southern Electricity Networks (SSEN), involving a joint commitment of £7.5 million, focused on ensuring that Scotland has access to a world-leading EV charging network and the electricity infrastructure needed to support this. The Strategic Partnership will develop, demonstrate and trial a new joined-up model for delivering strategic infrastructure, in a way that delivers access to everyone, no matter their circumstances or where they are in Scotland.

As SPEN prepares for the negotiation of its next distribution investment price control period (RIIO-ED2), early engagement is already taking place with Ofgem, we call for an appropriate framework of support for network operators to assist in the planning and delivery of the infrastructure required to ensure the successful and timely roll out of EV charging across Scotland. A key aspect of this engagement with Ofgem has been to highlight the importance of anticipatory investment, allowing for investment in electricity networks to ensure the necessary infrastructure is in place, by forecasting consumer demand. The need for anticipatory investment has already been supported in two reports in recent months by the Infrastructure Commission for Scotland (ICS)² and the UK's Electric Vehicle Energy Taskforce (EVET)³. We are pleased that Ofgem has acknowledged the importance of anticipatory investment in supporting timely decarbonisation in its Decarbonisation Action Plan which was published earlier this year, and are set to develop additional guidance before ED2. It will therefore be important that the NPF4 is also able to accommodate plans to develop and strengthen electricity networks to support the increased rise in the use of EVs in Scotland.

SPEN sees the benefits of planning policy that supports its investment in new network solutions necessary for the increased use of EV charging infrastructure. We do, however, suggest that the policy should be clear in recognising that infrastructure is not only within new developments but also needed elsewhere. As such, the policy needs to support rapid charging wherever suitable locations are identified. In addition, this is a timely opportunity to link local planning policy with strategic priorities, including the associated electricity network infrastructure (both transmission and distribution), required for the roll out of EV charging points. Such changes would undoubtedly speed up delivery of EV charging infrastructure, which will make a significant contribution towards the Scottish Government's Net Zero targets.

Question 2. How can planning best support our quality of life, health and wellbeing in the future?

Refer to SPEN response on EV charging under Question 1, above.

² Infrastructure Commission Scotland Key Findings Report: A Blueprint for Scotland (January 2020)

³ Report of the Electric Vehicle Energy Taskforce: Energising Our Electric Vehicle Transition (January, 2020)

Question 3. What does planning need to do to enable development and investment in our economy so that it benefits everyone?

Refer to SPEN response to Question 4, below.

Question 4. What policies are needed to improve, protect and strengthen the special character of our places?

Existing Policy Conflicts

SPEN wish to see a clear acknowledgement and framework within NPF4 which addresses the inherent conflicts in land use which can and will arise as the country seeks to meet its targets over the coming years. The proposed growth in renewable development, an increase in woodland cover across the country, restoration and protection of peatland and an increase in biodiversity are all supported by SPEN however these policies must co-exist and support one another. Inherent land use conflict which is not governed by a clear framework and strong decision making will result in severe delays and will discourage collaborative practices amongst industries. SPEN wish to see a strong framework which encourages sectors to work together in the interest of the country.

Acknowledgement of Regulated Business Challenges

SPEN would welcome a clear separation in the wording of both policy and policy guidance between renewables development and electricity network infrastructure, particularly in policy areas such as the natural environment. Specifically, policies must recognise the unique way in which new development on the electricity network is funded and delivered and the challenges that are faced when delivering infrastructure under a regulatory framework, for example, trying to acquire land to deliver compensatory planting to offset development.

SPEN are supportive of the introduction of policies which provide a clear framework for both developers and policy/decision makers to rationalise these conflicts when planning and determining applications for both transmission and distribution electrical infrastructure projects.

Biodiversity Enhancement

SPEN welcome the Scottish Government's aim of securing positive effects for biodiversity through the direction of NPF4. SPEN are committed to delivering on the wider aims of Biodiversity Net Gain (BNG) and Natural Capital (NC) throughout the transmission and distribution investment plan periods. However, as above, relevant policies within NPF4 must clearly recognise the unique way in which new development on the electricity network is funded and delivered and the challenges that are faced when trying to deliver on the aims of BNG.

SPEN would be supportive of the Scottish Government taking a proactive role which seeks to foster partnership working between developers, local authorities and key stakeholders involved in the planning process, including Government agencies such as Scottish Forestry.

Electricity Grid Policy

The current wording regarding electricity networks within the NPF3 references all forms of onshore electricity infrastructure development at 132, 000 volts (132kV) and above, thereby giving 'National Development' status. Whilst this approach is welcome in so far as determining the planning 'need' for individual projects, SPEN would welcome a change in policy wording which allows for the status of **132kV projects**, not specifically named within NPF4, to be determined on a case by case basis e.g. whilst important, it is unlikely that a minor extension to an existing 132kV substation could be classed as other electricity network development, such as a new build 400, 000 volt (400kV) overhead line.

Question 5. What infrastructure do we need to build to realise our long-term aspirations?

Refer to response to Question 1, above.

Suggested list of named electrical infrastructure projects

As part of the Scottish Government's call for ideas on NPF4, SPEN have been invited to put forward the names of major electrical infrastructure projects, which will be in the planning stage during the NPF4 period, for inclusion in NPF4.

SPEN are pleased to include the following major projects for consideration. Please note that this list is not exhaustive. The projects listed below will cover both the RIIO-T2 and RIIO-T3 periods and may be subject to change. Furthermore, as highlighted above, other projects may become necessary as new onshore renewables development seek connections to the SPEN network and further investment is required in the network.

Project	Description
Denny to Wishaw 400kV Reinforcement	Creation of a new 400kV overhead line from Bonnybridge substation (Falkirk) to existing overhead line north of Glenmavis (North Lanarkshire).
Branxton 400kV substation	Creation of a new 400kV Substation near Torness (East Lothian), to facilitate the connection of offshore renewable developments and the reinforcement of transmission capacity between Scotland and England.
Eastern subsea HVDC link from Torness to Hawthorn Pit	Creation of a new High Voltage Direct Current (HVDC) subsea link from Branxton 400kV Substation, near Torness (East Lothian) to Hawthorn Pit, in the north east of England.
400kV Onshore Reinforcement between Scotland and England	Creation of a new 400kV overhead line from Branxton 400kV Substation, near Torness (East Lothian) to Harker and/ or Lackenby, in the north of England.
East Coast Onshore 275kV Upgrade	Upgrade of existing 275kV overhead line circuits between Scottish Hydro Electric (SHE) Transmission's network and Kincardine and Longannet substations to operate at a higher temperature, allowing additional power flow (note that such voltage upgrades will require submission of new consent applications for Section 37 consent under the Electricity Act 1989 and deemed planning consent under Section 57(2) of the Town and Country Planning (Scotland) Act 1997.
East Coast Onshore 400kV Incremental Reinforcement	Upgrade of existing 275kV circuits between Alyth (SHE Transmission's area) and Kincardine substations to operate at 400kV and the installation of transformers to accommodate the upgrade at the existing Kincardine substation (note that such voltage upgrades will require submission of new consent applications for Section 37 consent under the Electricity Act 1989 and deemed planning consent under Section 57(2) of the Town and Country Planning (Scotland) Act 1997.

Hunterston East to Neilston 400kV Reinforcement	Reconfiguration of 400kV circuits between Neilston and Hunterston, and installation of new supergrid transformer at Neilston substation to increase transfer capability of existing transmission network.
Eccles Hybrid Synchronous Compensator	Extension of existing 400kV substation at Eccles and installation of innovative equipment, to facilitate further connection of renewable generation to the existing electricity system.
Windyhill – Lambhill – Denny North 400kV upgrade	Upgrade of existing overhead line circuits between Windyhill, Lambhill and Denny North substations to 400kV operation (note that such voltage upgrades will require submission of new consent applications for Section 37 consent under the Electricity Act 1989 and deemed planning consent under Section 57(2) of the Town and Country Planning (Scotland) Act 1997.
Longannet – Kincardine – Harburn 400kV upgrade	Construction of a new 400kV substation in the Harburn area (West Calder), and the upgrade of existing 275kV circuits to operate at 400kV and accommodate new substation.
Elvanfoot North 400kV Substation	New 400kV Substation between Coalburn and Elvanfoot, on the Strathaven – Harker 400kV overhead line route.
Glenmuchlock to ZV 400kV double circuit	New 400kV overhead line from Glenmuchloch to 'Elvanfoot North' 400kV Substation.