

REA response to Regional Energy Strategic Plan policy framework consultation

The Association for Renewable Energy & Clean Technology (REA) is pleased to submit this response to the above consultation. The REA represents renewable electricity, heat and transport, as well as Electric Vehicle charging infrastructure, Energy Storage and Circular Economy companies. Members encompass a wide variety of organisations, including generators, project developers, fuel and power suppliers, investors, equipment producers and service providers. Members range in size from major multinationals to sole traders. There are around 550 corporate members of the REA, making it the largest renewable energy and clean technology trade association in the UK.

1. 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.

We very much agree with all the views, especially where it suggests that the RESP should be agile and adaptive, this is a sensible approach as external factors can change/be instable and the plan needs to be adaptive in order to stay on course to achieve targets, and we would argue that possible back up plans/slight tweaks to the RESP should be thought of in advance and be proactive so that the plan is even more agile and so necessary changes are implemented smoothly.

In the principles we think it should also state that the long-term plans will be broken down into smaller chunks/deliverables to give more clarity as to how the long-term plan will progress and allow progress to be tracked easily.

We think another main principle should be included, and that is that the RESP will be stakeholder orientated, so it will have communities, consumers and industries in the region in mind when it comes to the RESP methodology, this would reduce any possible friction towards the RESPs.

There should also be a Principle of future proofing, recognising evolving energy and infrastructure needs, including CCUS and Hydrogen.

2. 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.

Yes, it would allow RESP progress to be tracked better as well as allow for the RESP to be more agile and adaptive, problem areas could also be identified and solved more easily.

It would also reduce complacency, and prompt and initiate faster developments as there are short-term directives to be fulfilled but still maintain a central long term, stable and aligned vision and end-goal for the region.

The RESPs should also be aligned and informed by the Future Energy Scenarios (FES) particularly in relation to its long-term regional vision and goals, and be able to adapt long-term regional visions to be interoperable with whatever FES pathway is decided.

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

I think the possibility of a more frequent data refresh, such as biannual, should be explored so more informed decisions are made and so more regular stakeholder input occurs based on the data, as well as generally better ongoing transparency, the data should be open and live, and should be able to be updated as more data becomes available, but with an annual progress rule.

The three year RESP update is fine as the RESP should be adaptable to new data but long-term trajectories should remain constant so that there is stability in a RESP for the sake of investor confidence in the region. But some key stakeholders, such as the REA, that would possibly be closely involved in a RESP probably via stakeholder workgroups would be and should be kept in the loop continuously on the updates to a RESP.

4. 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, tracking interactions towards low carbon technology uses should be an obvious part of identification of system needs, to help gauge what clean technologies consumers in the region are more likely to be responsive to and how responsive they are to different types of clean technologies, this will help give a good idea of what is required of the energy system, both electricity and gas, in the region. Also, looking at consumer behaviour profiles can help inform what energy mix would be most appropriate for the region in anticipation to events that consumers are likely to be highly responsive to. Profiles in growth of flexibility provision would help decipher the correct balance between firm generation and flexibility, and how the network in the region should be designed to support this balance.

Planned significant construction developments or accurate anticipation for how energy demand can change in the future in the region should be considered when identifying system needs, so that the system design is well prepared for the future.

Also, Setting Spatial Context - this should be public and freely accessible live data. On Informing Strategic Network Investment - must be clear routes to challenge where to not restrict investors where other factors may have a bearing on location.

5. Do you agree technical coordination should support the resolution of inconsistencies between the RESP and network company plans? Please provide your reasoning.

Yes, technical coordination from an organisation so heavily endorsed by Government and validated by the Energy Act such as NESO is likely to prompt the network companies to ensure that their plans are coherent with each other and are in line with the plans of NESO, it is important that there is a main central voice when it comes to technical coordination to ensure true whole system planning that is implemented within a region, and get the network companies singing from the same hymn sheet in order to achieve the bigger picture and remove all inconsistencies between the network companies and NESO. Technical Coordination from NESO will be especially important for informing Ofgem during RIIO considerations, helping to deliver independent evidence on regional investment needs.

6. 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 agree on the three building blocks, modelling supply and demand will help make accurate and informed decisions on identifying system needs and identifying system needs will help inform the technical coordination process.

The option of including community benefits as a building block component should be explored to reduce public friction towards the implementation of RESPs. Also, the building blocks should all have short-term and long-term visions applied to them.

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

Yes, as it includes the most important categories of data to a RESP, network data and local government data, and "other sources" data is important for if local government data or

network data is insufficient but in general it helps add further context and supplements to the other categories of data in the framework, but, you could argue that National data should be included as a category in the “bottom-up inputs” framework to provide even more context and help inform better, more considerate and refined decisions. Also, socio-economic data should be included within each of the categories in the framework, to provide better context and further inform potential RESP decisions, and within the main categories in the framework of standard data inputs there should be even more categories so that the data is further organised.

Additionally, Other Data can contain data from aggregator energy demand management companies, as well as trade bodies like the REA who will have data representative of a large number of companies/the industry due to the member companies of their association.

8. Do you have any suggestions for criteria to assess the credibility of the inputs to the RESP?

There should obviously be a framework of initial questions that check the credibility of the source of an input into the RESP before there is deeper inquiries into the credibility of the source of input and the input itself, newer sources of input to the RESP should be more scrutinised than older, more trusted sources that have already previously fed accurate inputs into the RESP.

If the criterion for short-term pathway inputs is to be higher than the criteria for long-term pathway inputs then long-term pathway inputs should be routinely reassessed for their credibility to avoid wrong decisions on the RESP being made in the long-term, and to maintain high levels of investor confidence.

Furthermore, wherever possible data inputs should be standardised to enable easy comparisons between the RESPs.

9. Do you agree with the framework for local actor support? Please provide your reasoning.

Yes, we especially agree with transparency towards local actors to make sure everyone or most are on board with the RESP and that there is little friction towards the plans, it is also crucial that for full transparency that adequate education for local actors who may not be fully aware of all the ins and outs of a RESP is provided, so that all local actors are truly kept in the loop.

It is very good for local actors to have accountability and know who is accountable for what, so that there is more trust and coherency within the RESP, and so issues can be pinpointed more easily and solved quickly.

It is also crucial for there to be representatives for and coordination between local actors, so that all the local actors can have their voices heard and so that plans are implemented more smoothly as everyone or most local actors are in agreement of local plans.

But it is still important that there is still respect towards what may be commercially sensitive data, especially when looking at local, potentially competing, developers.

10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.

Yes, a strategic board made up of industry experts and very key stakeholder representatives for the region would provide much needed experience-backed insight into whether key decisions should be altered or even made at all considering a multitude of factors that the board as a whole should be able to give expert advice on. It would also provide more transparency into the process of the RESP, and give wider stakeholders clarity as to where to express any concerns.

The strategic board should be more skewed towards being an influencing force rather than having the absolute final say on approval of plans, this is to avoid unnecessary slowing down of progress for a RESP. Also, to ensure equal and varied representation on the Strategic Board there should be some consideration of remuneration for certain positions on the regional boards so that all scales of stakeholders can take part, not just those who can be financed by their company.

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

Yes, to ensure it is representative of all the stakeholders in the region.

It is also important that trade bodies that operate across the entirety of the UK and represent many in the industry across multiple different technologies and business models across many UK regions, such as the Association of Renewable Energy and Clean Technology (REA), have a place on the strategic boards and not only on the RESP working groups.

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

Cross-sector: trade bodies as they represent multiple stakeholders in the sector.

Network: The Energy Network Association and the senior figures from distribution networks for gas or electricity, this will ensure that all of the networks in the region are happy to abide by the RESP methodologies.

Democratic: Mayors, local councils etc. to ensure that the plans are in alignment with what they envision for their areas of control and to provide a voice for the general public in the region.

13. Do agree with the adaptations proposed for Option 1? Please provide your reasoning.

Yes, it incorporates many regions that are already widely seen as their own region but possibly for North East and Yorkshire & Humber there should be some consideration for them to split from each other as having them as one region may be covering too large of a region/area, and the North East (2.657 million) has a large enough population to be considered as its own region, same of course with Yorkshire & Humber (5.486 million).

14. Do you agree with our assessment that Option 1 is a better solution than Option2? Please provide your reasoning.

Yes, has more regions, each regions has less people in it on average than option 2, which could suggest that RESPs would be more manageable and more bespoke for each region to ensure that an optimal energy mix is implemented for all those in the region.

15. 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)

Possibly, as Scotland has a small population in comparison to England and some regions in England, like London for example, also it could mean that SSEN and SPEN would be forced to be more coordinated with each other and have their plans aligned better.

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