

8 October 2024

Dear Sir / Madam,

UK Major Ports Group Response to the Regional Energy Strategic Plan Policy Framework Consultation

By email only: resp@ofgem.gov.uk

I write on behalf of the operators of the UK's largest port operations and their trade body the UK Major Ports Group. Thank you for the opportunity to contribute to this consultation and comment on the Regional Energy Strategic Plan Policy Framework.

Who we are

The UK Major Ports Group is the body that represents 9 of the top 10 port operators across the UK, handling over 75% of port tonnage. We are key local employers, providing valuable gateways to the local economy and operating successful and adaptive businesses. Appendix 1 to this document shows the UK Major Ports Group members' port locations and owning groups.

Our members invest over £600 million of capital each year, ensuring we meet the needs of existing and future customers and embrace innovations. We have ambition to invest further and faster, unlocking UK growth. and invest more than £600m of private sector capital each year in the UK's ports and surrounding coastal areas.

Ports Are How

As key enablers to our economy we believe that ports are how we will achieve the governments key missions on clean green energy and economic growth. The role of major ports is central to kickstarting growth – whether it is the energy transition, growing international and domestic trade through our critical national

infrastructure – ports are how we get the country moving further and faster. Growth can be achieved if, in partnership, we:

- Deliver a port & trade first modal shift programme for freight & logistics, to modernise our transport infrastructure and rebuilding Britain.
- Create a fit for purpose planning system built for port growth, to kickstart economic growth across the UK.
- Abolish regulatory drag to double levels of port investment, to grow investment and productivity that transforms our economy.
- Secure port power & future energy needs for UK plc, making Britain a clean energy superpower.

We welcome the proposed reforms to the energy system supporting place-based understanding and a whole system approach to the energy system. The UK Major Ports Group has identified energy connectivity as a potential barrier to port aspirations for decarbonisation and growth, limiting the amount of renewable energy that can be connected to the grid and providing cost prohibitive access to additional capacity to support changing infrastructure or the development of new facilities / industries in our port hubs. More strategic coordination from a national and regional perspective is welcome, to look at ways to identify future needs and remove barriers to growth and decarbonisation.

Our ports provide hubs of industrial activities, supporting cross modal transport and the import and export of goods. Ports are at the heart of accessing our offshore environments, providing bases for the development of operation and maintenance facilities. These sites are also ideal for developing our manufacturing capabilities, providing good access to the offshore environments and creating new jobs to our coastal communities and growing their economies.

The UK Major Ports Group is keen to work in close partnership with the Government, and relevant players, on a shared ambition to supercharge, decarbonise and

upgrade the UK's major ports as a strategic sector that delivers. We see the development of the NESO and RESP as positive developments in this regard, and would welcome the opportunity to input to these processes so that ports' needs are better understood and accounted for. Ports are how we improve UK productivity and grow a modern economy and we are pleased to contribute to how the current regimes can be improved. We would be happy to work with your teams further on any of these comments / proposals or provide further port context if appropriate.

Yours sincerely

Alex Pepper
Policy Director

Appendix 1 – UK Major Ports Group Members



United Kingdom Major Ports Group Members

Associated British Ports | Belfast Harbour Commissioners
The Bristol Port Company | DP World UK | Forth Ports Ltd
Hutchison Ports (UK) Ltd | PD Ports | Peel Ports | Port of London Authority

Appendix 2 – UK Major Ports Group Responses to relevant questions related to the Regional Energy Strategic Plan Policy Framework

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 support the principles set out for developing the RESP methodology, and particularly welcome the inclusion of considerations of transport and industry. Creating a proactive vision for the regions, with inputs on where support is needed to decarbonise existing operations and to support the growth in new and emerging industries / technologies, should allow for better planning for the future and help to unlock growth. Taking a systems and proactive approach, is a welcome change, allowing for better collaboration and coordination on regional growth and development, helping to enable and promote economic growth.*
 -
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.

We support the development of a short term and long term directive pathway, with the ability to review and take an agile approach where appropriate. For these pathways to work the involvement of local actors in building up the regional needs will be crucial.
3. Do you agree there should be an annual data refresh with a full RESP update every three years? Please provide your reasoning.

Yes, we support this as there a need for some agility as well as the need for certainty for investment decisions. An annual data refresh will allow the best information to be used and the evolving picture to be updated. With emerging technologies and the opportunity to become a world leader in green technology, it is essential the UK can take an agile approach and support these opportunities to come to fruition in our coastal regions.

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

No comment

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

We support the introduction of a technical coordination role, ensuring that any gaps or inconsistencies in energy forecasts / needs are considered and looked into and resolved as soon as possible. With energy infrastructure being a potential barrier to development, it is essential that this is taken forward, and the system plans are able to be reviewed to ensure they are supporting both the decarbonisation of the network and new and emerging needs to support new infrastructure.

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?

No comment

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

We support the opportunity to input local needs to the RESP. Our members own and operate port infrastructure, often with large estates that are tenanted and supporting a range of industries. We would welcome the opportunity to be able to input these needs - to support the decarbonisation of our operations, those of our tenants and potential future tenants / industries (many of which will be associated with the green economy). The format of these inputs needs to be agreed and in a way that is both proportionate and appropriate to the various different players, further consultation with industry should be taken on what this could look like. A short energy strategy / plan following a simple template might be appropriate.

From a top-down perspective, there is a need to include consideration of the industrial strategy, growth plans and the relevant national policy statements for different sectors, to inform the strategic direction and enable sustainable growth.

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

We agree that there is a need to assess the credibility of the inputs, using some simple templates or similar might help in this regard. As well as assessing credibility we also need to ensure that potential opportunities for new and emerging technologies have a route through.

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

We agree that local actors need to be involved in the strategic regional planning. The process needs to be as transparent as possible and allow those operating in the regions to input, using the appropriate templates / processes.

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

We broadly support this.

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?

We agree that the strategic board should include representation from relevant actors in the regions, including inputs from industry and transport (which could include ports). The use of working groups is also useful to target specific work areas and allow expertise to be brought forward. These groups should be run on an transparent basis allowing others with relevant information to also input and/or join a working group if appropriate.

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

As above, we believe that the board needs inputs from industry / private sector and include strong transport /logistics input for each region. Transport is a large consumer of energy in the UK and as it is decarbonised it will be important to take a whole systems approach to how it is powered.

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

No comment

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

No comment

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)

We do not have a specific comment on the Scotland regions. For all regions the cross boundary considerations will be key and how the regions will work together to deliver the strategic aims of decarbonisation and growth.



RESTRICTED