**Kent County Council**

**Regional Energy Strategic Plan policy framework consultation responses**

**Q1. 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.**

Kent County Council (KCC) agrees with the proposed principles to guide NESO’s approach to developing the RESP methodology. We agree that ensuring a place based approach is needed, and to achieve this it is vital that local authorities play a central role in energy system planning, upper tier authorities in particular. The latter have significant expertise in providing regional strategic infrastructure and services, while the scale and democratic processes on which they operate make them well placed to positively shape energy system planning.

There needs to be much greater coordination and collaboration between local government, central government, and network companies in order to adequately plan for current and future demand in ways that are cognisant of local communities’ needs. The County Council therefore welcomes Ofgem’s recognition of the key role that local authorities must play in regional energy planning.

KCC supports the proposed whole-system, multi-vector approach and recognises the clear need to be proactive in the development of the energy system to ensure that infrastructure is in place before need and that we are on track to meet the country’s net zero requirements. The County Council also agrees, in principle, with a vision-led approach that reflects specific regional characteristics and sets regional priorities aligned with national priorities. However, given that RESP sign off will ultimately remain with Ofgem, it is important that the process by which regional and national alignment is achieved is transparent and deliberative given potential trade-offs that may need to be made. There is a risk that the RESP methodology, which KCC supports in principle, could be fundamentally undermined in practice if key elements of a regional plan are rejected by the National Energy System Operator (NESO) because they do not align entirely with predetermined national priorities.

**Q2. 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.**

KCC agrees that the RESP should include a long-term vision that sets thematic priorities for the region, and that these priorities be developed through close coordination with key local actors, upper tier authorities in particular. The County Council also believes that the long-term regional vision must be guided by short-term and long-term net-zero pathways within an adaptive approach to account for uncertainty.

The consultation document proposes a single, short term regional pathway with a 5-10 year horizon which then branches into multiple, long-term pathways based on different supply and demand growth projections. The County Council recognises the need to set and follow a single, short term pathway for the purposes of effective planning and investment. However, KCC recommends a 5 year horizon be set for the short term pathway, not any longer. There are a number of different factors (for example rate of heat pump/EV uptake, electrification of industrial processes, role and importance of hydrogen in the energy mix) that are still largely unknown but changing rapidly, and that could significantly impact local and national energy supply and demand in the short term. As such, setting a fixed pathway for 10 years may lock a region into a route that is not sufficiently responsive to changing circumstances.

**Q3. Do you agree there should be an annual data refresh with a full RESP update every three years? Please provide your reasoning.**

KCC agrees with an annual data refresh. Given the rapidly changing dynamics of energy supply and demand, the rate of growth in the South East of England, and the need to accelerate and carefully monitor the energy transition, it is critical that we have up to date and accurate data to inform decision making. The Council also supports a full RESP update every three years, in line with the Centralised Strategic Network Plan and recognising the need to remain agile while also setting a stable timeframe to aid planning and investment decisions.

While KCC agrees with the proposed timelines, it is important to clearly establish the data sources that will inform the RESP and ensure that this data is shared transparently amongst the organisations involved in developing the RESP. Local governments currently face significant challenges in terms of energy planning, one of which being the lack of formalised collaboration, data sharing, and joint work with network operators. As the consultation document recognises, informal working relationships do exist between some local governments and network companies. However, these tend to be one-sided as local government officers seek information on network company plans to help inform the local plan process that cannot always be shared. It is critical that formalised data sharing arrangements are established if the RESP is to effectively incorporate all relevant local actors and data into the process.

**Q4. 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.**

1. Providing consistent assumptions

KCC agrees that it is important to establish a set of standardised and consistent assumptions that can be used nationally, and that the central hub is the best entity to develop these.

1. Setting out the spatial context for capacity needs

KCC believes that this is a critical element of the RESPs, in order that network capacity and headroom can be viewed and used to effectively plan network upgrades and reinforcement. A number of network operators already provide spatial tools to local governments to visualise network capacity, which is useful. However, such tools (network usage maps) provide a relatively static picture of the current situation and it is difficult for local governments to collaborate and share information with network companies regarding planned future growth and its impacts on headroom. Other tools (future energy scenarios) created by network operators are also useful, but designed and disseminated from the top down, intended for energy users or local governments to access and use, but not contribute to. This must change if RESPs are to function effectively as co-created strategic plans that consider all the relevant regional actors, supply and demand side, in the energy system.

1. Informing strategic network investment.

Upper tier authorities can play a key role in this area, providing intelligence and data to inform future energy demand linked to strategic economic development and growth plans, thus helping to ensure that energy is not a barrier to their implementation. Paragraph 3.23 states that ‘we propose the RESP take a more directive role in identifying the location for strategic investments in line with the long-term vision for the region’. KCC believes that taking a directive role in identifying strategic investment locations should be a core responsibility of the RESP. It is not clear what ‘more’ means in this context, because there is no comparison to go by. The County Council therefore seeks clarification on this point; what role exactly will the RESP have in identifying locations for strategic investments for the region and what is the mechanism by which these locations are approved or rejected?

**Q5. Do you agree technical coordination should support the resolution of inconsistencies between the RESPs and network company plans? Please provide your reasoning.**

KCC supports the central hub – regional spoke model proposed in the consultation and this will necessarily require coordination across strategic planning and network companies’ plans in order to resolve gaps and inconsistencies between and within regions, and identify whole system opportunities. To function, the proposed model clearly needs to integrate place-based regional plans within a whole system approach and so, in principle, the County Council agrees with the technical coordination outlined. However, as recognised in paragraph 3.37, there is currently a lack of formalised processes for transparently considering whole system benefits and resolving trade-offs across different vectors and this constitutes a risk to effective strategic planning. KCC believes that more information is needed regarding the governance arrangements for ‘technical coordination’ to understand how it will work in practice. It must ensure the transparency currently lacking and that those involved in developing the RESPs, upper tier authorities in particular, have a formal role in shaping decisions around the integration of RESPs and network plans.

**Q6. 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?**

KCC supports the three building blocks – modelling supply and demand, identifying system need, and technical coordination – that form the RESP. Upper tier authorities play a significant convening role and are well placed to collate local data and intelligence to inform the building blocks of the RESPs. However, there needs to be more detail regarding the framework of support that will enable local government to participate in strategic energy planning and ensure that the technical building blocks of the RESP are transparent and accessible to all of those involved in its development. This requires the building blocks to come together within democratic governance and oversight arrangements that clearly define the roles and responsibilities of local governments in the RESP process.

**Q7. Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.**

KCC agrees with the framework of standard data inputs for the RESP given the current lack of a formalised process for local governments to inform network forecasts and investment decisions with important and relevant local data that they hold (local plan data, net zero targets, LAEPs, local transport plans etc.). Data sharing between local governments and network companies is sporadic at best, negatively impacting spatial planning of energy needs locally and nationally. As such, the County Council welcomes proposals for NESO to facilitate input and engagement from all local actors relevant to energy system planning in a region (although the ‘relevant’ actors need to be clearly identified prior to initiating the RESP development process) to ensure decisions can be made with the best available evidence.

KCC also supports the framework of bottom-up inputs to feed into the RESP, although further work needs to be done in this area to define exactly which local government data (supported by information from a range of local stakeholders and partners) should be inputted into the RESP.

**Q8. Do you have any suggestions for criteria to assess the credibility of the inputs to the RESP?**

KCC has no suggestions regarding the criteria to assess the credibility of the inputs to the RESP and believes that the NESO is best placed to set out the draft criteria. However, it is important that once the criteria has been developed, local governments are given the opportunity to comment on the criteria and the selection of data sources that will be used to develop the RESP.

**Q9. Do you agree with the framework for local actor support? Please provide your reasoning.**

KCC agrees with the framework for local actor support and believes that it is critical that NESO supports local governments with the creation and implementation of RESPs. Upper tier authorities in particular play a leading role in placemaking and strategic (economic) planning. The framework of support presented in paragraph 3.56 would be greatly beneficial to local government energy planning and for active participation in the RESP process.

The framework sets out technical support and training for local actors, but this will be of limited use if local actors do not have the power to influence key decisions over regional energy planning. The place-based engagement principles set out in table 3 (transparent, accountable, representative and coordinated) to foster local actor participation are not accompanied by details as to how engagement will look in practice. It is concerning that paragraph 3.63 states that ‘it is not within Ofgem’s powers to determine which duties local authorities should hold regarding local energy planning…This is a matter for government.’ From the consultation document, it seems possible that local government participation in the RESP could be entirely symbolic, with training received, tools provided and fora created that serve as one way channels from NESO and network companies to local governments and not the collaborative relationship expected. KCC therefore seeks clarification on the duties and powers that upper tier authorities will hold regarding local energy planning and the relationship and support that upper tier authorities can expect from Ofgem to influence Government decision-making around the RESPs.

**Q10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.**

In principle, KCC agrees with the purpose of the Strategic Board and its central role in fostering collaboration, ensuring transparency, and ensuring that the RESP accurately reflects the regional context by bringing together all the relevant local actors in the energy system. However, it is not clear how much influence the Strategic Board will really have in determining the final content of the RESP. This is a major concern for the County Council given that local governments are likely to invest considerable time and resources into developing a regional plan that may not ultimately be approved by NESO.

Paragraph 4.5 indicates that the Strategic Board will produce a recommendation and a ‘potential steer’ on key decisions being made, but that (paragraph 4.6) the final decision maker on the content of the RESPs will be NESO. If local democratic institutions are to play a central role in developing the RESPs, then their powers, roles and responsibilities must be more clearly established than currently presented in the consultation document.

**Q11. Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?**

Following on from our response to question 10, KCC strongly supports representation from relevant local actors but more detail is needed regarding those actors’ powers, roles, and responsibilities both in terms of the development of the regional plan and its final approval and implementation. The objective (paragraph 4.18) of the Strategic Board ‘to embed place-based democratic representation in energy system planning’ will not be achieved by incorporating the correct actors into the Board if decisions made by the Board are unilaterally overruled by NESO. KCC therefore seeks clarification on the relationship between the Strategic Board and NESO, and the process by which potential disagreements will be managed.

KCC welcomes the proposal that upper tier councils are represented on the Board. Upper tier authorities operate at an effective strategic scale to positively contribute to regional energy planning, have significant convening powers in relation to lower tier authorities and the private sector, and have the strong democratic accountability and governance needed for the legitimacy of the RESP. However, it is important that the relationship between lower tier authorities, the RESP and NESO is clarified and suitable representative arrangements established prior to commencement. This issue is recognised in paragraph 4.22, but not adequately addressed by ‘we expect NESO to work with appropriate local government infrastructure bodies to develop arrangements through which collective representation can be achieved’. KCC therefore expects more detail on these arrangements prior to commencement.

**Q12. How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.**

In terms of upper tier authorities, KCC recommends a combination of political and officer representation. This would involve the relevant Cabinet Member(s) (in the case of KCC, the Cabinet Member for Economic Development) and officers from the strategic planning service.In terms of the business sector, it would also be beneficial to include the Chairs of local growth boards, or members of such boards that understand particular sectoral and/or sub-regional energy challenges.

**Q13. Do agree with the adaptations proposed for Option 1? Please provide your reasoning.**

KCC is not impacted by the adaptations proposed for Option 1 as they relate to regions of the UK where the Council has no remit. As such, KCC has no comments to make on this issue.

**Q14. Do you agree with our assessment that Option 1 is a better solution than Option 2? Please provide your reasoning.**

KCC agrees that Option 1 is a better solution that Option 2. The area designated ‘South East’ in Option 2 is unworkably large, extending up to the Midlands. The County Council believes that the regions established in Option 1 are the correct size and cover geographical areas that will allow local energy needs and dynamics to be incorporated into regional plans that do not lose sight of either local or the national/whole system perspectives.

**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).**

KCC has no position on this issue.