

## **INFORMATION NOTE 8**

### **ENERGY**

**South West Regional Assembly**

**January 2007**

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# **SOUTH WEST REGIONAL ASSEMBLY**

## **INFORMATION NOTE**

### **Renewable Energy**

#### **1. Introduction**

- 1.1 The purpose of this note is to provide a brief overview and explain the policy approach to renewable energy in the Draft RSS. It summarises:
- 1.2 The current state of the region in terms of renewable energy
  - The main issues with regard to renewable energy
  - The processes by which the key policies were formulated
  - How the RSS addresses renewable energy; and
  - The evidence which justifies the policy

#### **2. State of the Region**

- 2.1 The region consumes approximately 46TWh of gas and 25 TWh of electricity<sup>1</sup>. All the gas and around two thirds of the electricity consumed in the region is imported into the region.
- 2.2 Given the peninsular nature of the region, it is often seen as “at the end of the grid” for both electricity and gas, which creates questions over its vulnerability and high quantities of energy are wasted in transmission.
- 2.3 As at March 2006 there were approximately 120MW of installed capacity of renewable electricity in the region (meeting approximately 2% of electricity demand), and approximately 20MW of renewable heat capacity (less than 0.1% of heat demand).

#### **3. Energy Issues**

- 3.1 The region has significant energy issues in addition to its location on the grid, including: a large proportion of properties are off the gas grid, housing has the worst average SAP rating (energy efficiency) of any English region, with a large proportion of hard to treat homes (eg listed buildings, solid walled properties etc).
- 3.2 The region has some of the best renewables resources in the UK, particularly wind, biomass, wave and tidal resources and a reputation for being a leading region in renewable energy issues. For example the first English windfarm to gain planning permission was located in Cornwall. However there are significant constraints, such as for onshore wind, including dispersed settlement patterns of buildings, radar, military installations etc, as well as large areas covered by National Parks, AONBs, and other protected areas.

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<sup>1</sup> DTI Energy Trends December 2005

- 3.3 Whilst there is considerable evidence of broad popular support in the region for renewable energy<sup>2</sup>, there is a vocal minority which has received considerable media coverage, particularly in opposition to particular wind farm proposals.
- 3.4 The high levels of economic and population growth in the region will also have major impacts on energy demand and carbon emissions caused by that demand.
- 3.5 Existing nuclear power stations in the region are either in the process of being decommissioned or decommissioning will commence in the early years of the RSS period. A new gas powered power station is currently under construction at Langage near Plymouth. However its capacity will be less than that provided for in previous years from the nuclear power stations in the region.
- 3.6 Government guidance requires that the RSS sets out policies on renewable energy and allows for policies to reduce carbon emissions from new developments. Policy in the RSS on energy has therefore focussed on these areas rather than wider supply issues where there is no national guidance in relation to RSSs.
- 3.7 Renewable energy has been identified as a major economic opportunity for the region as well as a means of addressing carbon reduction and climate change. Development of the renewables sector is a priority in the regional Economic Strategy and there is evidence that currently the sector provides 1100 jobs in the region and contributes £34m GVA, but this could rise to 10-17,000 jobs and between £315m and £517m GVA by 2020<sup>3</sup>.

#### **4. Process**

- 4.1 In 2001, Terence O'Rourke and ETSU published a report "*Renewable energy Assessments and Targets for the South West*"<sup>4</sup>, funded by GOSW, in response to new government guidance on a regional strategic approach to renewable energy. This indicated that a target of 597 MW of renewable electricity by 2010 was feasible for the region, and this figure was included in RPG10 (policy RE6) after the EIP of RPG10 had been completed.
- 4.2 RPG10 also required that a review of this should be undertaken by SWRA to identify sub regional targets. As a result SWRA and GOSW commissioned the REvision 2010 project to facilitate the development and adoption of sub regional (county level) targets, based on detailed resource and constraint assessments and an extensive consultation process with local authorities, including a regional conference in May 2003 attended by 150 delegates from across the region. This project published its final report in June 2004<sup>5</sup> having facilitated inclusion of sub regional targets in the structure plans of

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<sup>2</sup> An example is the MORI poll conducted on behalf of RegenSW in April 2003 <http://www.regensw.co.uk/press/docs-info.asp?catid=23&id=135>

<sup>3</sup> "The Economic Contribution of the renewable energy sector in the south West" DTZ Pieda study for Regen SW (November 2005) <http://www.regensw.co.uk/press/docs-info.asp?catid=23&id=190>

<sup>4</sup> <http://www.oursouthwest.com/lowcarbon>

<sup>5</sup> <http://www.oursouthwest.com/revision2010>

Cornwall, Devon and Gloucestershire<sup>6</sup> and committee approval of targets for Dorset, Somerset, Wiltshire and the former Avon area.

- 4.3 The South West renewable energy group (which included representatives of regional bodies, the renewables sector and other interested parties developed a regional “*strategic framework for renewable energy*” in 2001/2002. This was endorsed by the full Regional Assembly in March 2002. The strategic framework was consulted on in summer 2002 and the final renewable energy strategy<sup>7</sup> was published in spring 2003 following endorsement by the regional partners including the Regional Assembly.
- 4.4 ODPM published Planning Policy Statement 22 on renewable energy (PPS22)<sup>8</sup> in 2004 which also indicated that targets should be set for 2020 and opened the opportunity to set targets for building integrated renewables in new buildings. Evidence from Revision 201 and advice from Regen SW (the region’s renewable energy agency) also suggested that the region had considerable resources to develop renewable heat as well as renewable electricity capacity onshore and also there were considerable opportunities for offshore renewables<sup>9</sup>, particularly for wave and tidal power<sup>10</sup>.
- 4.5 Work was commissioned by SWRA and GOSW on the REvision 2020 project, with a steering group including SWRA, GOSW, SWRDA and RegenSW, to address these issues and to identify appropriate targets and policy for the draft RSS for onshore renewable electricity for 2020, for offshore renewable electricity for 2010 and 2020, for renewable heat for 2010 and 2020 and for building integrated renewables. The final report was published in June 2005.<sup>11</sup>
- 4.6 The study included two meetings of a SWRA “task and finish” officer level energy advisory group, including representatives from local authorities, statutory bodies, NGOs etc to consider the emerging findings and discuss the emerging policy recommendations.
- 4.7 The SWRA Waste Energy & Minerals Group oversaw the project and on completion the policy recommendations were agreed at a joint meeting of the WEM and RSPTG groups on 14<sup>th</sup> July 2005.
- 4.8 A wider stakeholder consultation workshop was held in summer 2005 with a wide range of regional and local stakeholders to consider the emerging findings from the revision 2020 report, including the proposed policies and there was broad consensus to the outcomes. In particular, there was there was widespread support for the policy on building integrated renewables to set a minimum standard across the region, whilst allowing individual local

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<sup>6</sup> The Gloucestershire Structure Plan was subject to a direction and was not formally adopted, although the direction related to matters other than renewable energy targets.

<sup>7</sup> <http://www.regensw.co.uk/content-download/Report-RegionalRenewableEnergyStrategy-MainReport-April-03.pdf>

<sup>8</sup> <http://www.communities.gov.uk/index.asp?id=1143908>

<sup>9</sup> Green Shoots - Growing a strong RE industry in the SW, RegenSW (Oct 04) <http://www.regensw.co.uk/press/docs-info.asp?catid=23&id=130>

<sup>10</sup> However opportunities for offshore wind are more challenging due to the steeply shelving seabed around the region

<sup>11</sup> <http://www.oursouthwest.com/revision2020>

authorities to set higher standards in local development frameworks, where they were appropriate. This would then ensure that even if local authorities did not have the capacity to establish a local evidence base, there would still be a baseline policy that could apply to them.

- 4.9 Due to the nature of the studies for REvision 2010 and REvision 2020, addressing issues not previously addressed in detail at the regional and local level, not all the data ideally required for such studies was readily available, so in some cases, assumptions had to be made or proxy datasets used. However best available data was used and considerable time and resource was put into identifying and considering the data used in these projects. Further details can be found in the relevant technical reports.
- 4.10 Given the high priority identified for reducing carbon emissions to address climate change and its rapid escalation up the agenda, and further to the SSA process of the draft RSS identifying that appropriate carbon reduction targets for new developments in the RSS could make substantial reductions in the region's carbon emissions, Policy G on sustainable construction was amended to set challenging carbon reduction neutral requirements for new developments. An additional piece of work is being undertaken to test the deliverability of this policy and to consider amending policy RE5, increasing the 10% building integrated renewables target, as the national policy framework and "on the ground" experience are moving rapidly over the time the policy is being developed. This work will also take into account the emerging PPS on climate change (draft published December 2006) and is due to be completed in January 2007, with policy recommendations to be considered by RSPTG in February 2007.

## **5. Energy in the Draft RSS**

- 5.1 Energy Policy in the draft RSS is included in Section 7 (policies RE1 to RE5), with links to the sustainable construction policy (policy G) in section 3.
- 5.2 The main objectives of the policy are to set out clear targets and policy for renewable energy for the region, providing the right framework for developers and local decision makers in the context of the energy hierarchy. The policy avoids technology specific targets but does importantly set targets for renewable heat as well as electricity, as the heat sector is a key issue and opportunity for the region.
- 5.3 Policy was developed through the REvision 2010 and REvision 2020 processes, having regard to PPS22.
- 5.4 Consideration was given to producing maps for particular technologies as suggested in the PPS22 companion guide. The relevant resources were mapped during the process and are identified in REvision 2020. However, given the nature of the wind resource in the region, when taken alongside non-negotiable constraints such as National Parks, AONBS, radar and buildings, there were no broad areas of search which could be identified at that time<sup>12</sup> where it would be clearly appropriate to develop large scale wind developments (eg windfarms with more than 50 turbines) and the majority

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<sup>12</sup> Changes in constraints or in technology might change this situation in the future.

of sites were suitable for smaller numbers (ie less than 10 turbines). Such sites are spread across the region and it was considered that a map showing these would be of little, if any, value.

5.5 In summary the policies cover the following issues:

- RE1: onshore renewable electricity targets for 2010 and 2020 (including county level targets for 2010)
- RE2: offshore renewable electricity targets and requirements to enable onshore grid connection
- RE3: renewable heat targets
- RE4: ensuring the balance between the environmental, social and economic benefits and costs of renewables schemes are addressed
- RE5 (linked to policy G): requiring minimum levels of building integrated renewables in new developments.

## **6. Evidence base**

6.1 The evidence base is identified throughout this document, but in summary the key documents are:

- Regional Renewable energy Strategy 2003-2010
- RPG10
- Terence O'Rourke study 2001
- Revision 2010
- Revision 2020
- DTZ Pinda study "*The Economic Contribution of the renewable energy sector in the South West*"
- PPS22
- PPS22 companion guide
- Ministerial statement – urgent review of PPS22, June 2006 and letter from DCLG to all regional and local planning authorities urging targets for building integrated renewables of above 10%.
- Draft PP1 supplement on climate change

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