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### Net Zero Review: Call for Evidence

### Suffolk County Council's Response

Suffolk County Council welcomes the opportunity to contribute to this important consultation. As set out in the County Council's Energy infrastructure Policy<sup>1</sup>:

"The expansion of renewable/ low carbon energy offers significant opportunities to drive the Council's priority to support Inclusive Growth, which it recognises as a key priority to unlock potential and improve people's quality of life. The active delivery of net zero by the Council will support opportunities for employment and training, providing more highly skilled jobs with increased wage and productivity levels for our communities, whilst safeguarding Suffolk's natural and historic environment by contributing to climate change adaptation. This will help maximise the benefits our environment provides to our economic growth, health, and wellbeing for now and future generations".

The detailed responses to the questions in this call for evidence are appended to this letter, however, in summary the principal points the Council makes are as follows:

- The construction and operation of the infrastructure required to deliver net zero, supports growth; in the short, medium, and long term.
- The systematic roll out of nuclear and renewables is an opportunity to develop exportable technologies and skills.
- Likewise, the decarbonisation of heat and transport offers substantial and widespread employment and training opportunities, driven by the expansion of existing, and development of new, businesses to support this.

However:

- Anticipatory investment in training, skills, education, and reskilling across a wide range of competences is essential.
- Consumer confidence needs to be supported, so that businesses and individuals can engage effectively with a wide range of emerging decarbonization opportunities.

<sup>&</sup>lt;sup>1</sup> <u>https://www.suffolk.gov.uk/assets/planning-waste-and-environment/major-infrastructure-projects/SCC-</u> Energy-Policy.pdf

• Communities hosting new generation and transmission infrastructure need to receive appropriate support and funding in terms of mitigation and compensation, to foster greater acceptance for the hosting of essential new infrastructure.

Furthermore:

- There are opportunities to support and streamline consenting and policy to ensure more effective delivery of both small and utility scale low carbon projects.
- There are also substantial opportunities to improve policies, programmes, and funding schemes, to deliver decarbonisation in a timelier, and more efficient, manner.

In summary, The Council considers that Net Zero does represent a significant and tangible opportunity to deliver economic growth, however, there is substantial scope to improve policies, programs, and process, in order that this opportunity can be fully exploited.

Cabinet Member for Environment and Finance

Deputy Leader of Suffolk County Council

#### **Overarching questions**

#### 1. How does net zero enable us to meet our economic growth target of 2.5% a year?

The development, construction, and operation of net zero generation and transmission projects has been, and is expected to continue to be, a driver of significant inward investment. This is particularly the case in Suffolk. For example, In the nuclear sector alone, Sizewell B employs over 500 permanent staff and over 250 contracting partners, the station is estimated to deliver £40 million into the local economy annually and an additional £20 million during every outage cycle. Furthermore, it is predicted that around £2 billion will be spent in Suffolk during the construction of Sizewell C and that over its operational lifetime Sizewell C will contribute £12.7 billion to the local economy.

More widely, having an approach to nuclear roll out that is systematic and programmatic will allow businesses to invest in long-term growth. This is also the case for generation capacity using other technologies such as offshore wind, onshore wind and solar, as well as the roll out of hydrogen and carbon capture.

This type of approach has the potential to increase the degree of competition in specific technological sectors and hence allow new companies to enter the sector, as has been the case in offshore wind. The nuclear sector however is currently dominated by a single large player with long standing commercial relationships with suppliers, this tends to stifle new entrants and inward investment.

In summary, Net Zero supports delivery of the required growth:

- In the short term it delivers levelling up and inward investment
- In the medium term it delivers net zero targets, building resilience and capacity
- In the long term it delivers a sustainable, exportable, and ongoing low carbon energy sector

In addition, the <u>Heat and Building Strategy (2021)</u> is projecting that 175,000 direct and indirect jobs by 2030 and 240,000 jobs by 2035 will be required. Therefore, the decarbonisation of heat represents a significant opportunity. However, this will require significant incentives to attract early adopters and drive down supply side costs. This approach has delivered results for the solar PV sector and a similar medium-term plan should be adopted for heat pumps.

#### 2. What challenges and obstacles have you identified to decarbonisation?

- The availability of a sufficiently sized skilled workforce, and the need for a more effective pipeline for the creation of a skilled workforce through anticipatory investment in education and training.
- The lack of funding that delivers effective and accessible pathways for those who are unemployed or underemployed to re-skill into "green jobs."
- "Green jobs" include all the commercial enabling roles to support policy, planning, consenting, and funding. These competencies are currently in very short supply; therefore, market participants are fighting for this resource, which is slowing consenting and build times.
- The lack of a consistent and simple to understand package of incentives to drive the behaviour change and personal investment decisions that will be required to achieve net zero. This package of incentives needs to be supported by effective public engagement, at scale, on decarbonisation.
- The lack of consumer confidence to adopt decarbonisation strategies and take the emerging opportunities for domestic heat and transport, which leads to a weak and fragmented market and supply chain in these areas.

• The need for community consent for large new energy infrastructure projects, which will require more honest and effective community engagement, appropriate levels of mitigation and compensation for local impacts, and appropriate packages of community benefits.

# 3. What opportunities are there for new/amended measures to stimulate or facilitate the transition to net zero in a way that is pro-growth and/or pro-business?

### No Comments

# 4. What more could government do to support businesses, consumers, and other actors to decarbonise?

- Create a clear sense of urgency around decarbonisation of electricity production and around the decarbonisation of homes, businesses, and transport.
- Create an environment and a policy and political narrative where decarbonisation of homes and businesses is considered the norm.
- Create a suite of policies and initiatives that both encourage decarbonisation and energy saving, whilst at the same time discouraging carbon intensive practises, where alternative low carbon technologies are available in the market or are coming to market.
- Create an overarching framework that supports a slick and simple retrofit journey for consumers and businesses
- Foster the development of a diverse range of technologies for the decarbonisation of heat and transport, that reflects the varying needs and constraints faced by consumers and businesses in changing the energy sources they use.

For example, whilst heat pumps are likely to dominate the decarbonisation of domestic heat, they are not appropriate in all cases and the approach to the decarbonising of domestic heat should reflect this reality. This is also likely to improve acceptance of change, by creating choice and avoiding the impression that the state is telling the consumer what is good for them.

# 5. Where and in what areas of policy focus could net zero be achieved in a more economically efficient manner?

Penalties and targets in Contracts for Difference (CfD)

Penalty clauses for supply chain plans are necessary to maintain minimum standards, but their application should not have a depressive effect on the ambition of project promoters to drive local and regional development.

Likewise, the requirement for 60% UK content for Offshore Wind projects sends an important signal to developers, but supply chains, and manufacturing and the relevant skills must be in place so that it is possible for project promoters to meet this target.

Nuclear can take a similar approach, utilising UK content targets to drive growth, however, a longterm vision with supporting policies will be essential to see this growth materialise. It is important to understand, what does the UK want to win and realistically how long will it take to build this capability and knowledge?

As the UK embarks on a programmatic approach to building new nuclear, in all its forms, we need to understand which elements we are capable of manufacturing or constructing in the short, medium, and long term. These capabilities need to be matched to graduated UK content targets, whilst at the same time, be supported by consistent policies and governance, to give confidence that this is a long-term investment opportunity.

This is a process that can be repeated for all generation technologies that we want to secure as a UK capability, with the long-term opportunity being that we have delivered energy security, delivered on Net Zero and built exportable construction, manufacturing, installation and operational capability in several generation technologies.

### 6. How should we balance our priorities to maintaining energy security with our commitments to delivering net zero by 2050?

Delivering net Zero, which includes low carbon sources such as nuclear and the use of Carbon capture, utilisation, and storage (CCUS) will maintain that balance. Furthermore, the <u>North Sea</u> <u>Transition Deal</u>, which is essential for this region, supports existing production, supply chains and skills through the decarbonisation process, avoiding a hard stop and loss of capacity and national resources.

Ensure a coherent approach between policy and funding of onshore renewables and low carbon generation infrastructure, to support the rapid delivery of new capacity. Whilst at the same time ensuring a fair and robust deal for communities hosting this infrastructure.

### **7.** What export opportunities does the transition to net zero present for the UK economy or UK businesses?

If a programmatic build approach is taken to the roll out of nuclear and renewables, exportable technologies and skills will be developed. Furthermore, the quality of UK products, skills, and governance, such as the nuclear GDA, is highly sought after globally.

#### Questions for local government, communities and other organisations delivering net zero locally

### 24. What are the biggest barriers you face in decarbonising / enabling your communities and areas to decarbonise?

#### Rurality and the off-gas grid

Decarbonisation of domestic heat, particularly in a rural county such as Suffolk, that has extensive areas off the gas grid, is a significant challenge, given the proposal to suspend installation of fossil fuel systems from 2026.

#### Capacity and resilience of the electricity distribution network

The future load on the distribution network, especially in rural areas, will present a significant challenge for the decarbonisation of heat and personal transport. Much of Suffolk, as well as other parts of the region, has a constrained distribution network, for both the installation of new generation (such as solar) and of new demand, such as heat pumps and charging points.

#### Weak consumer confidence, because of lack of appropriate support and guidance from Government

There is a significant danger of mis-selling during the decarbonisation of heat and transport, many new entrants are likely to rush to the market, with some installers using the wider policy environment to drive consumers to make inappropriate decisions. Guidance should be provided, by Government to homeowners, that helps them, for example, to identify if a heat pump solution is, or can be made appropriate for their home, but should also clearly identify when this would not be appropriate, or may be a marginal decision, compared with other options.

Government should ensure that consumers taking out any government financial support for heat pumps are also permitted by Regulations to take out other financing options.

The use of finance products for heating systems is low compared to use of finance for products, such as cars, homebuying and other home renovations such as kitchens. While the finance industry is

planning trials of new financial measures, coordinated by the Green Finance Institute, it remains to be seen what consumer uptake might be, especially when set against consumer desire to use finance for other more desirable products. Finally, the absence of a slick, and as far as possible, hassle free, retrofit experience is a significant deterrent to decarbonisation for consumers and businesses.

#### 25. What has worked well? Please share examples of any successful place-based net zero projects.

<u>Solar Together Suffolk</u> is a group-buying scheme which has helped over 1,500 homes in Suffolk to install solar panels and batteries.

The scheme helps homeowners feel confident that they are paying the right price for a high-quality installation from pre-approved installers, whilst increasing their independence from the grid and reducing their carbon emissions.

<u>Plug In Suffolk</u> has now installed nearly 100 new charging points around the county, with an emphasis on installations in rural locations and supporting households without off-street charging capabilities. It was the UK's first 'fully open' public EV (Electric Vehicle) fast charging network and is one of the LEVI (Local EV Infrastructure) funded projects that will result in an additional 200 charging points across Suffolk.

<u>Business Energy Efficiency Anglia</u> supported over 1000 businesses with advice, support, and grants to reduce emissions.

<u>Carbon Charter</u> is a large business network to support SMEs on their net zero journey. This includes local accreditation, events, tools, and support.

### 26. How does the planning system affect your efforts to decarbonise?

The lack of resources and staffing within the planning system (both TCPA (Town and Country Planning Act) and Planning Act 2008 for NSIPs (Nationally Significant Infrastructure Projects) tends to hamper the consenting of projects for utility scale developers. Similarly, in respect of National Infrastructure projects consenting under the Planning Act 2008, there is currently no requirement for applicants to enter a Planning Performance Agreement with Local Authorities.

Furthermore, these large-scale projects, be they consented locally or by the Secretary of State, tend to attract effective and well-funded campaigns scrutinising or opposing schemes. Therefore, the consenting process is likely to be extended or challenged, particularly if the project promoter has not been sufficiently diligent in respect of process or community engagement.

The cycle of the local plan process is slow and therefore does not respond rapidly to emerging carbon reduction and climate adaptation priorities. Furthermore, the timing of the development policy cycle is not coordinated across multiple adjacent local authorities.

In addition, some areas of policy and governance, such as building control and the protection of historic buildings, either do not incentivise the early adoption of low carbon heating, or work against the adoption of small-scale domestic generation, such as solar adjacent to historic dwellings.

# 27. How can the design of net zero policies, programmes, and funding schemes be improved to make it easier to deliver in your area?

There is an urgent need for stable, long-term funding. Move away from constant churn of shortterm, competitive funding landscape. The golden thread to successful policies, programmes, and funding schemes, is that they must be linked to an overarching goal, have long term (10+years) objectives, and to stable medium term (5+years) delivery routes, that can be communicated locally. Too much time in local government is wasted in applying for competitive schemes with a very short shelf life. Often these schemes are then run again a few months or a year later, with the same outcomes and objectives, but called something new, with slightly different metrics to record. Government needs to invest in a longer-term vision and trust local government to deliver for local communities on their behalf.

### 28. Are there any other implications of net zero or specific decarbonisation projects for your area that the Review should consider?

No Comments