

**AYRSHIRE JOINT STRUCTURE PLAN AND TRANSPORTATION COMMITTEE
1 SEPTEMBER 2006**

Scottish Planning Policy 6, Renewable Energy: Consultation Draft

PURPOSE OF THE REPORT

- 1 To advise and provide comment on the Scottish Executive's consultation on a new Scottish Planning Policy for Renewable Energy, SPP6 which will replace NPPG6.

BACKGROUND

- 2 The Committee will recall that a paper on Renewable Generation & Electricity Networks was presented to the June 2006 Committee. That paper considered the existing and planned capacity of the Ayrshire Transmission and Distribution Grids in relation to current developer/ generator interest, Structure Plan policy and Scottish Executive Renewable Energy Targets. The report identified that the capacity of the Preferred Search Areas (PSA's) for wind farm developments identified in the Structure Plan was far in excess of Ayrshire's likely contribution to Scottish renewable energy targets and would therefore be unlikely to constrain renewable generation. However the report did identify that to realise the development potential of the PSA's would require considerable investment in new transmission lines or significant reinforcement of existing lines in areas of the network with good connection access to wind farm developments in the PSA's. Current Ofgem approved grid investment by Scottish Power in Ayrshire is not well located in relation to the potential capacity of the PSA's in South Carrick and Whitelee Forest and if implemented would bring pressure for development outwith the PSA's. It was therefore agreed that a further report would be presented to the Committee once the national guidance in Draft SPP6 had been issued. The Consultation on Draft SPP6 was subsequently issued on the 10th July 2006 with comments due by 6th October 2006.

RENEWABLE ENERGY

- 3 Draft SPP6 reaffirms the Scottish Executive's commitment in its support for renewable energy and the role of the planning system in ensuring the delivery of renewable energy targets and in facilitating the development of a viable renewables industry. Draft SPP6 takes forward the approach of NPPG6 in requiring the development planning process to support the continuing growth of all renewable technologies by guiding development to appropriate locations. In particular plans should be used to identify those areas suitable for wind farm developments by allocating broad areas of search. Draft SPP6 incorporates the Scottish Executive's 2020 Renewable Energy generation target of 6GW and puts more explicit emphasis on the role of and capacity of the electricity grid in facilitating renewable generation developments.

- 4 However as anticipated, SPP6 does not identify any regional or local targets below the Scottish level and is requiring planning authorities to quantify the potential of their areas to accommodate renewable energy developments and to express these as a ‘local contribution’ (ie to the 6GW target) quantified in MW. There is, however, no reference at all to the role of the National Planning Framework or city regional level planning in providing strategic guidance to this process. It is anticipated that there will be regular reviews taking account of resource potential, environmental capacity and reflecting existing, planned and future potential grid capacity.

STRUCTURE PLAN IMPLICATIONS

- 5 The Structure Plan is broadly consistent with Draft SPP6 in that it supports renewable energy generation; provides positively for its development by identifying broad areas of search based principally on landscape capacity and defines criteria by which proposals should be assessed. However there are 3 specific areas identified in Draft SPP6 which have not been explicitly covered in the Structure Plan (unless amended by draft modifications) and which Local Plan policies, through an alteration or supplementary guidance, would be required to address:
- Identify areas or sites where wind farm developments should be avoided because of their natural heritage value or unacceptable cumulative impacts;
 - In areas outwith broad areas of search and areas where wind farms should be avoided, developers will need to demonstrate that there are no suitable opportunities to develop within broad areas of search; and
 - Establish a local contribution for renewable energy.
- 6 Taking these points in turn. First, areas which should be avoided because of their natural heritage value or unacceptable cumulative impacts, although not specifically defined in the Structure Plan, have been taken into account and excluded when identifying the PSA boundaries. The requirement in Structure Plan policy ECON 7 (A) for large scale wind farm developments to be directed ‘firstly’ to the PSA’s together with ECON 7 (B) for developers to demonstrate no significant adverse effects on (amongst others) ‘natural environment’ outwith PSA’s and an assessment of cumulative impact, in all cases, should have a similar effect as the draft guidance. However the policy could potentially allow proposals with less than significant adverse effects in areas of natural heritage value, in the event of there being no suitable opportunities within the PSA’s.
- 7 Second, the need for developers outwith the PSA’s to demonstrate that there are no suitable opportunities within PSA’s is not specifically required by ECON 7. However the wording of the policy by directing development proposals for large scale wind farms “firstly” to the PSA’s implies that this will in practice be the case.
- 8 Third, a local capacity based contribution for renewable energy expressed in MW’s has not been specified in the Structure Plan. Technical Report 3: Renewables, indicates a range of approaches to identifying what Ayrshire’s contribution to the Scottish renewable generation target might be. The report concludes that the capacity of the PSA’s is far in excess of a reasonable local contribution in Ayrshire, and far in excess of the existing capacity of the Transmission Grid. It also notes that existing planned grid investment is not well placed to realise that potential capacity which would require considerable reinforcement of the

transmission grid in proximity to the PSA's. The report acknowledges that more work could usefully be undertaken to refine the practical development potential of the PSA's. Draft SPP6 is requiring local planning authorities to quantify the potential to accommodate not just on shore wind and biomass but all forms of large scale renewable energy including offshore (wind, wave and tidal). Measuring the renewable energy capacity of local areas will be new to many planning authorities and currently lacks any common or agreed methodology. Additional guidance will therefore be needed. The draft guidance specifically excludes the role of micro generation from local contributions.

GRID CAPACITY

- 9 Grid capacity and its availability features much more prominently and explicitly in SPP6 compared with NPPG6. However the role that grid capacity is expected to play in future decisions on renewable energy developments lacks clarity in the new guidance. Although grid capacity is identified as only one factor it is not clear what weight is intended to be given to the other factors and there must remain doubts over whether the process will be development plan led or in reality led by grid capacity. In particular how far current industry grid investment plans will be the main driver.
- 10 Much of the new guidance appears to give primacy to existing and planned grid capacity as a determining factor. Para 33 makes it quite clear that decisions on investment in new grid capacity are a matter for the relevant transmission owner (SPTL), the system operator (NGC) and the regulator (Ofgem). There appears to be no requirement for them to have regard to the development plan in reaching these decisions.
- 11 Para 34 of the new guidance identifies grid capacity as a factor to be taken into account in identifying areas of search and that a consideration of how best to make use of existing and planned grid capacity should be an important part of this process. Para 35 requires planning authorities to give full consideration to developments that can be accommodated within existing and planned grid upgrades. Again, Para 43 states that a key element of discussions on local contributions should be to ensure full consideration is given to the potential of making the best use of existing and approved grid infrastructure. A proposed Coylton to New Cumnock transmission line (540 MW) in Ayrshire is one of four grid upgrades in Scotland cited in Para 43 that have had approval in principle and a proposed funding mechanism from Ofgem. Potential further upgrades would include extending this new transmission line southwards to England (1200 MW) and upgrading capacity in North Ayrshire to accommodate new generation in Kintyre and Cowal (550 MW). However, none of this planned grid capacity has planning consent and is not well placed to allow the renewable generating potential of the PSA's in Ayrshire to be realised.

CONSULTATION QUESTIONS

- 12 Draft SPP6 poses three specific questions concerning the definition of large scale wind farms as 20MW; a 1.5km large scale wind farm buffer zone around communities; and a minimum 10% CO₂ reduction through on site renewable energy equipment for certain new developments.

CONCLUSIONS

- 13 The continued support for renewable energy generation with the addition of a clear Scottish target in Draft SPP6 is to be welcomed, as is the new requirement for local authorities to define their areas target in the form of a local contribution. The emphasis on stakeholder and community engagement at all stages of the planning process is also a welcome addition.
- 14 There are a number of specific points and concerns in relation to the Draft guidance:
- Ayrshire has limited existing grid capacity but significant planned capacity in Scottish Powers current Ofgem approved investment plans. It is important that local contributions and approved developments are based on environmentally acceptable potential as defined by development plans rather than being driven by grid capacity.
 - The Draft guidance fails to explicitly recognise the need for a wider strategic regional view of ‘contributions’ and related environmental (eg cumulative impact) and grid issues between the local and national levels. In this regard the role of the National Planning Framework and/or a regional dimension should be addressed.
 - Measuring local generating potential from all renewable sources and quantifying a local contribution is likely to have skill and resource implications for local planning authorities and further guidance on methodology will be required.
 - The specific exclusion of micro-generation capacity from the local contribution may be downplaying the potential scale, significance and benefits of embedded generation, particularly as it is largely independent of transmission grid capacity considerations.
 - As local authorities will be setting the local contributions towards the Scottish renewable target there is perhaps a case for taking all decisions in relation to renewable energy generation including those currently subject to Section 36 of the Electricity Act.
 - Draft SPP6 indicates that development proposals in the grid connection queue with contracted offers should not be a material consideration in determining a planning application. This is essential in ensuring that potentially environmentally inferior schemes do not get preference in the approval process.
 - The Finalised Draft Structure Plan defines large-scale wind farms as the greater of 5 or more turbines or 5 MW. This is consistent with Environmental Impact Assessment (Scotland) Regulations 1999, which requires proposals of this size and above to have an EIA. Defining large-scale wind farms as over 20 MW will therefore not apply to many proposals likely to have significant environmental impacts.
 - The proposals to apply a minimum community buffer zone for large scale wind farms and a minimum 10% on site CO2 reduction are generally supported. However the exact dimensions for the buffer are likely to vary with local circumstances.

RECOMMENDATION

15 It is recommended that the Joint Committee:

- note the content of this report;
- approve its contents as a response to the Scottish Executive on the consultation on the Draft Scottish Planning Policy 6, Renewable Energy; and
- forward a copy to East, North and South Ayrshire Council for consideration in their own response.

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