

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fourteenth Delegated Legislation Committee

## DRAFT INFRASTRUCTURE PLANNING (ELECTRICITY STORAGE FACILITIES) ORDER 2020

*Thursday 17 September 2020*

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**Monday 21 September 2020**

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**The Committee consisted of the following Members:**

*Chair:* GRAHAM STRINGER

Ali, Tahir (*Birmingham, Hall Green*) (Lab)  
 † Bhatti, Saqib (*Meriden*) (Con)  
 Cruddas, Jon (*Dagenham and Rainham*) (Lab)  
 † Fletcher, Mark (*Bolsover*) (Con)  
 † Furniss, Gill (*Sheffield, Brightside and Hillsborough*)  
 (Lab)  
 † Hollobone, Mr Philip (*Kettering*) (Con)  
 † Holmes, Paul (*Eastleigh*) (Con)  
 † Jones, Andrew (*Harrogate and Knaresborough*)  
 (Con)  
 † Kwarteng, Kwasi (*Minister for Business, Energy and  
 Clean Growth*)

Lloyd, Tony (*Rochdale*) (Lab)  
 Morris, Grahame (*Easington*) (Lab)  
 † Smith, Greg (*Buckingham*) (Con)  
 † Syms, Sir Robert (*Poole*) (Con)  
 Tarry, Sam (*Ilford South*) (Lab)  
 † Tomlinson, Michael (*Lord Commissioner of Her  
 Majesty's Treasury*)  
 † Trott, Laura (*Sevenoaks*) (Con)  
 † Whitehead, Dr Alan (*Southampton, Test*) (Lab)

Anwen Rees, Nicholas Taylor, *Committee Clerks*

† **attended the Committee**

# Fourteenth Delegated Legislation Committee

Thursday 17 September 2020

[GRAHAM STRINGER *in the Chair*]

## Draft Infrastructure Planning (Electricity Storage Facilities) Order 2020

11.30 am

**The Chair:** Before I call the Minister, I remind hon. Members about the social distancing rules; the seats are marked out clearly. Also, because of the covid regulations, it would be particularly helpful to our colleagues in *Hansard* if people could email any speaking notes that they have to [hansardnotes@parliament.uk](mailto:hansardnotes@parliament.uk). I call the Minister to move the motion.

### The Minister for Business, Energy and Clean Growth (Kwasi Kwarteng):

I beg to move,  
That the Committee has considered the draft Infrastructure Planning (Electricity Storage Facilities) Order 2020.

It is a pleasure to see you in the Chair, Mr Stringer. I am pleased that we have your direction for this hopefully short debate.

The draft order was laid before the House on 14 July. In the current situation, it is a very simple statutory instrument. Currently, for electricity storage facilities over 50 MW in England and over 350 MW in Wales, planning consent must be sought from the Secretary of State under the nationally significant infrastructure projects regime. For facilities below those thresholds, consent is derived from the relevant local planning authority. The SI simply removes the threshold and devolves all consents to the relevant local planning authority. We are doing this because there is strong evidence that the 50 MW threshold in England is distorting the sizing of projects and the nature of investment decisions. Here in England, there is clearly a clustering of storage projects sized just below the 50 MW threshold simply to avoid referral to the NSIP regime.

In 2019, we consulted on removing electricity storage, with the exemption of pumped hydro, from the NSIP regime in England and Wales. We received some 28 responses from the industry, and all bar two, I think, were broadly supportive of the change. For battery and more innovative forms of storage, the planning impacts are low compared with pumped hydro and other forms of generation. The extra time and cost of the NSIP regime is not thought to be proportionate and is also limiting the size of new projects to just below the threshold. The draft order removes these technologies, as I said, from the NSIP regime, so that consent will generally be sought from the local authority. To ensure consistent treatment, this will also apply to Wales, where the NSIP threshold, at 350 MW, is higher than that in England.

We feel that this measure will unlock investment in larger storage projects, support low-carbon jobs and help to decarbonise our energy system. Our assessment is that it could save the industry up to £7 million a year.

As I said, the order does not remove pumped hydro storage from the NSIP regime, as hydro storage technology facilities have significant planning impacts, which we feel should be kept within the NSIP regime. Should Parliament approve the draft order, a parallel order will be required to amend the Electricity Act 1989 to ensure that consents for electricity storage fall within the local planning regime.

**Sir Robert Syms (Poole) (Con):** I congratulate my right hon. Friend the Minister on a clear, concise explanation of what the Government are doing. It is rare in a Committee of this type that one actually understands what the Government are trying to do without doing handstands trying to read all the explanatory notes, so well done.

**Kwasi Kwarteng:** I thank my hon. Friend very much. I am pleased to say that I always try to boil down exactly what legislation does and to explain as simply as I can the Government's aims. Having sat in these Committees, he and I know that many times people simply read out exactly what has been as presented to them, and in many instances—though not, I hasten to add, in this Parliament—Ministers have not really understood what they were saying. That was the impression I had as a Back Bencher, so I have tried to make things simple.

We will ensure that the statutory instrument applies for onshore and offshore facilities. We are working closely with the Welsh Government, who will pass their own legislation on storage located off the Welsh coast. The order will ensure that storage is treated appropriately in the planning system. That will unlock investment, which is critical to the net zero strategy that we have set ourselves.

11.35 am

**Dr Alan Whitehead (Southampton, Test) (Lab):** I will put the Committee out of its potential misery this morning by saying that we do not intend to divide it. As I said in a recent Delegated Legislation Committee, I am not sure it would be terribly constructive, given the number of Opposition Members present. In fact, I fully welcome the order, not only for the clarity with which the Minister set out its effects, but for the clear difference that it will make to the development and onward march of battery storage, which is a crucial development in our energy arena.

I am slightly disappointed that the pumped storage threshold was not increased to 200 MW in the planning regime. The Minister did not make a great deal of that, but consultation on pumped storage that indicated that the industry would certainly like the change. That was not considered to be necessary; however, it is a pretty minor thing compared with the step forward being taken in the draft order.

I want to spend a few moments talking about how the SI reached the present stage. It has been known for a long time that the NSIP regime, compared with the planning regime, is a substantial impediment to the development of battery storage, particularly as it gets to about 50 MW. The Minister is right to say that there has been a clustering of developments below that level. Indeed, in some instances, developers have proposed chains of below-50 MW battery storage units with the

aim of staying under the threshold. That point was raised during consideration of the Energy Act 2016, along with another important element of support for the development of battery storage: the creation of a separate licensing regime for storage, either as a subset of generation or as a stand-alone arrangement. There was a clear case for action on both those elements in 2016.

The proposal emerged again in the smart systems and flexibility plan in July 2017. Indeed, it was stated at the time that the intention was to make changes to both the licensing arrangements and the threshold arrangement and consultations were held two years later. On changes to the licensing regime, the latest statement on that is in the update to the smart systems and flexibility plan, which states:

“The Government has completed preparatory work to define storage in primary legislation.”

By the way, that is two years after I tabled an amendment to the Energy Act 2016, which I will modestly say was brilliantly crafted and absolutely fit for purpose. The Minister at the time said that amendment could not be accepted because it might interfere with the preparations that the Government were making for the discussion of this precise point.

Roll on four years and we finally have this SI. As I said, I welcome that greatly, but I also reflect on the fact that it has taken four years to get to this position, when the industry has been crying out for this change throughout that whole period. Not only that, but as far as amendments to the Electricity Act 1989 are concerned—the Minister said there will shortly be an amendment to that Act, to fully plant this change in the legislative process—there has been no such progress with the licensing regime. Nothing has happened. Four years on, we are still no further forward with the change in the licensing regime under the 1989 Act.

These are not academic reflections; they are real reflections about a real industry that is suffering badly in terms of the development that we absolutely need if we are to achieve a low-carbon energy market. We still do not have the finishing line in sight as far as those changes are concerned. Will the Minister reflect on the time that this SI has taken to get to the statute book? I ask him to get his skates on in making sure that the regime for battery storage, and indeed for storage generally, is as good as we can get it, as quickly as we can get it, so that the changes we all want are made as soon as possible.

11.42 am

**Kwasi Kwarteng:** As is often the case, the hon. Gentleman has widened the scope of the discussion, and many of the issues that he has raised are more appropriately debated on the Floor of the House in subsequent debates and in consideration of primary legislation.

I have to stress that this SI has very simple and very clear purpose, which the hon. Gentleman enthusiastically supports. I say to all hon. Members, look at the SI and welcome the fact that it removes electricity storage from the NSIP regime, makes planning far more local, and, I believe, will ease the deployability of capital in this regard. I do not share the hon. Gentleman’s view that the sector is suffering; it has been very successful, but I appreciate that there is a degree of urgency. I am happy to commend this order, and I thank all members of the Committee for attending this debate.

*Question put and agreed to.*

11.43 am

*Committee rose.*





