

**Response to the
Department of Energy
Security and Net Zero**

**Strategy and Policy
Statement for Energy
Policy in Great Britain**

About us

Solar Energy UK represents more than 350 members in the UK solar and energy storage industry, including solar installers, manufacturers, distributors, developers, investors, and technical, legal and professional advisors. Our goal is to enable the deployment of 70GW of solar energy capacity by 2035.

Respondent details

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- Would you like this response to remain confidential? No
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Introduction

Solar Energy UK welcomes the opportunity to respond to the Department for Energy Security and Net Zero's Strategy and Policy Statement for Energy Policy in Great Britain.

Overall Solar Energy UK views the priorities outlined within the strategy as a positive development for the solar industry and the UK's net zero ambitions. We are broadly supportive of the majority of strategic priorities and policy outcomes, we will be working closely with the Department for Energy Security and Net Zero to deliver on these ambitions as part of our joint Solar Taskforce. We are particularly supportive of the Government's intentions to facilitate greater coordination between themselves, Ofgem and the ESO. This is essential if the UK Government is to meet its own target of 70GW of solar by 2035.

As a broad comment, there is a lack of clarity on how the Government expects to deliver on these strategic objectives. Furthermore, the Government should detail its expectations around how Ofgem is going to manage and prioritise its various objectives in the context of its net zero commitment. We develop this in our response below.

Solar Energy UK responses

1. Does the strategy and policy statement identify the most important strategic priorities and policy outcomes for the government in formulating policy for the energy sector in Great Britain? If not, please provide details of the priorities that you think should be included.

Solar Energy UK is broadly supportive of the objectives outlined in this section, we are specifically pleased to see the objectives outlined under Section One: Enabling Clean Energy and Net Zero Infrastructure. However, the Government should provide clarity on how they, alongside Ofgem, aim to achieve these objectives. As the Government will be aware, our current electricity transmission and distribution networks present a huge barrier to solar deployment. In previous years, there has been an overriding focus on minimising costs to consumers today, at the expense of long-term value and investment. If we are to meet our net zero targets it is vital that we invest in our grid infrastructure, particularly given the expected increase in demand due to the electrification of heat and transport. The Government's intention to 'investment ahead of need' is an extremely welcome development, this would likely significantly reduce grid connection wait times and accelerate our transition to net zero.

It is vital to design a system that delivers for the UK's long-term objectives, the development of the Holistic Network Design and transition from the ESO's Network Options Assessment to the Centralised Strategic Network Plan are welcome developments. Timely delivery against these plans, with forward planning and adequate investment, will enable greater volumes of low-carbon generation to connect more easily and efficiently. In the same vein, it is vital that the Government details its strategy for how it plans to deal with the current connections queue. As it stands, the transmission connection queue is currently over 300GW, the incoming queue management strategies (CMP376 CUSC Modification awaiting Ofgem decision) will be central to minimising the current queue and laying the foundation for a new process. However, it may take 5 years or more to implement the new queue management milestones under CMP376 into existing connections contracts. It is concerning that there is no indicative timeline for when we will begin to see reductions in the existing queue.

It would also be helpful to understand how the Government plans to address the current delays at the distribution level. Recently a significant volume of policy documents have been released relating to transmission with a seemingly 'wait and see' approach to distribution level issues. This is detrimental to the deployment of rooftop solar, which is extremely popular with, and vital to the decarbonisation of, businesses and homeowners.

To meet climate change targets, renewable energy projects, and the network infrastructure required to support them, should be actively encouraged and supported. The planning system will be key to achieving this and should facilitate the timely delivery of the UK's legally binding climate and environmental targets. All areas of the UK planning system are stretched, with limited capacity, resources and finances. These constraints lead to delays in planning decisions and put at risk our ability to meet our renewable energy and decarbonisation targets, including 70GW of solar deployment by 2035.

A commitment to increase funding – for PINS and LPAs, and also for statutory consultees – to retain and upskill the current workforce, as well as to train a new generation of planning and environment professionals, would ensure that our planning system is fit for the future. The strategy and policy statement fails to identify the importance of a stable and well-functioning planning regime to support the delivery of renewable technologies. To address this, we recommend that Government expand the current priority 'driving the net zero transition by achieving government targets for renewable and low carbon deployment... increase energy efficiency' to include the removal of deployment barriers for solar and other renewable technologies.

2. Does the strategy and policy statement effectively set out the role of Ofgem in supporting government to deliver its priorities? If not, please identify where these expectations could be made clearer.

Whilst the SPS sets out several actions and tasks that the Government expects of the regulator, it again fails to provide clarity on how said objectives will be met and how any conflicting priorities will be addressed. For the most part, the objective outlined within the strategy are broadly aligned, however, there are instances where there will be tensions between Government priorities and Ofgem priorities and its statutory duties. ⁶

The SPS should formally address how it expects Ofgem to resolve possible conflicting agendas. We recommend that the Ofcom and Ofwat SPSs should be used as a model for resolving this lack of clarity and the expectations that government has of the regulator. Solar Energy UK is extremely supportive of the decision to grant Ofgem a net zero remit and of Ofgem's consumer protection remit. We wish to emphasise that consumer protection should not be seen in opposition to its new net zero function. For example, the delivery of our net zero targets will take significant investment, the HND alone sets out £54 billion of investment.

Network investments will also incur a great expense, but a more efficient network will ultimately save consumers money in the long run. In our view, the SPS should clearly define how Government expects Ofgem to manage these trade-offs, and how these should be resolved. Solar Energy UK urges Ofgem to view all its policy decisions through the lens of its net zero remit.

3. Given the Future System Operator does not exist yet but will need to have regard to the strategy and policy statement once it does, do you consider that we have effectively reflected the Future System Operator's role in this document? If not, please identify where these expectations could be made clearer.

In general, the SPS outlines the key function of the FSO. We would however like to reiterate the points raised in section 2: the Government should provide clarity on how it expects the FSO to balance conflicting tensions around costs, net zero and community impacts. It is difficult to provide detailed commentary on the FSO given it has not yet been established.

Yet, we would like to emphasise that its remit should include strategic planning. Clarity and confidence in this role will be important for investors looking to contribute to the development of the UK's electricity infrastructure. Given this, we recommend that there should be the opportunity to review the SPS for the FSO once it has bedded in.

We do note that there is no mention of regional energy system planning. Ofgem has recently consulted on the introduction of regional system planners. The SPS should explicitly state how the FSO should work with these organisations
