



Open Report on behalf of Andy Gutherson Executive Director - Place

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| Report to: | Environment and Economy Scrutiny Committee |
| Date: | 28 February 2023 |
| Subject: | Energy for Growth (utilities provision in Greater Lincolnshire): update |

Summary:

This written report provides an update for the committee on work undertaken and progress made on key activities since the Energy for Growth paper introducing the Utilities Leadership work programme was presented in October 2022.

As indicated in the paper in October, the work programme comprises four overarching, interrelated themes that assist in developing a clear understanding of utility networks, provision and constraints to enable growth of thriving environments and support high aspirations across Lincolnshire. Progress has been made in all four of the key themes of the work programme, and this paper highlights some of this progress and indicates what the next steps are.

Actions Required:

Members of the Committee are invited to note the content of this report.

1. Background

As reported in October 2022, the provision of utilities is critical to support both new and existing commercial and residential developments in the County and throughout Greater Lincolnshire. The lack of infrastructure and network capacity without costly network reinforcements can hinder and prevent development and investment in particular areas and therefore needs to be properly understood to enable the growth of thriving environments and support high aspirations across Lincolnshire.

To address and progress this, a comprehensive work programme was developed, and reviewed by the committee in October 2022. The programme still initially focuses on energy, as it is noted that this is the priority, but will evolve to include the other utilities over time.

1.1 The work programme - update

The work programme comprises four overarching, interrelated themes, which are:

- **Intelligence:** Developing increased knowledge, awareness and understanding of current utility situation and future ambitions to assist growth in areas of Greater Lincolnshire, especially where supply is volatile.
- **Problem solving:** Understanding network capacity issues, and where constraints exist have the knowledge and awareness to look for potential local innovative solutions to assist growth in these areas.
- **Places – Specific sites and areas –** Understanding the local utility landscape, allowing informed decisions to be made for specific sites.
- **Engagement:** Liaising with key organisation, forming relationships and developing clear communication channels to gain understanding of how they operate, direction of travel and their future investment plans to link with plans in Greater Lincolnshire.

Each theme has a number of activities associated with it, and as the work undertaken progresses, the activities will evolve. An understanding of the anticipated outcome and benefit of the activity has also been established, as detailed in the October report.

1.2 Current Context

The cost of living situation is still understandably a key concern for residents and business across Lincolnshire, with 93% of adults in Great Britain reporting an increase in their cost of living in December 2022 – January 2023 since the same period a year before. Of those 93% who reported an increase in the cost of living in this period, 96% said was because of an increased price of food shopping, while 89% cited an increase in gas and electricity prices. (Source: Rising cost of living in the UK Research Briefing, 23 January 2023 House of Commons Library [\(link\)](#))

1.3 Work Programme update

Although it is early days, progress has been made and steps have been taken to understand the current energy landscape in Lincolnshire, and how it is changing. This includes, but is not limited to, the following:

Intelligence:

- **Energy Option Analysis for Greater Lincolnshire commission** – by July 2023 RLB (appointed consultant) will have addressed some key questions concerning the electricity distribution network in the Greater Lincolnshire area. In doing this, they will identify the current situation, anticipated growth, future energy constraints and promote local innovative solutions. After the final submission from RLB has been received, an action plan will be developed in collaboration with the other

authorities in the Greater Lincolnshire area, that will help us identify, and provide possible solutions in power constrained areas.

As part of the commission, RLB are developing a comprehensive POWER BI mapping system that clearly shows future growth areas, against current distribution network capacity, so power constraints can be easily identified, and early discussions with the relevant Distribution Network Operator (DNO) can be held, and solutions discussed at the earliest opportunity thereby helping to avoid lengthy delays.

An example map is shown below, to help illustrate this point. Figure 1 shows the future demand capacity of the substations in the East Lindsey area, when the electrical load associated with the proposed developments in next 1-3 years are taken into consideration. The RAG (red, amber, green) rating clearly shows where capacity constraints are, and where early conversations, or alternative solutions will be required.

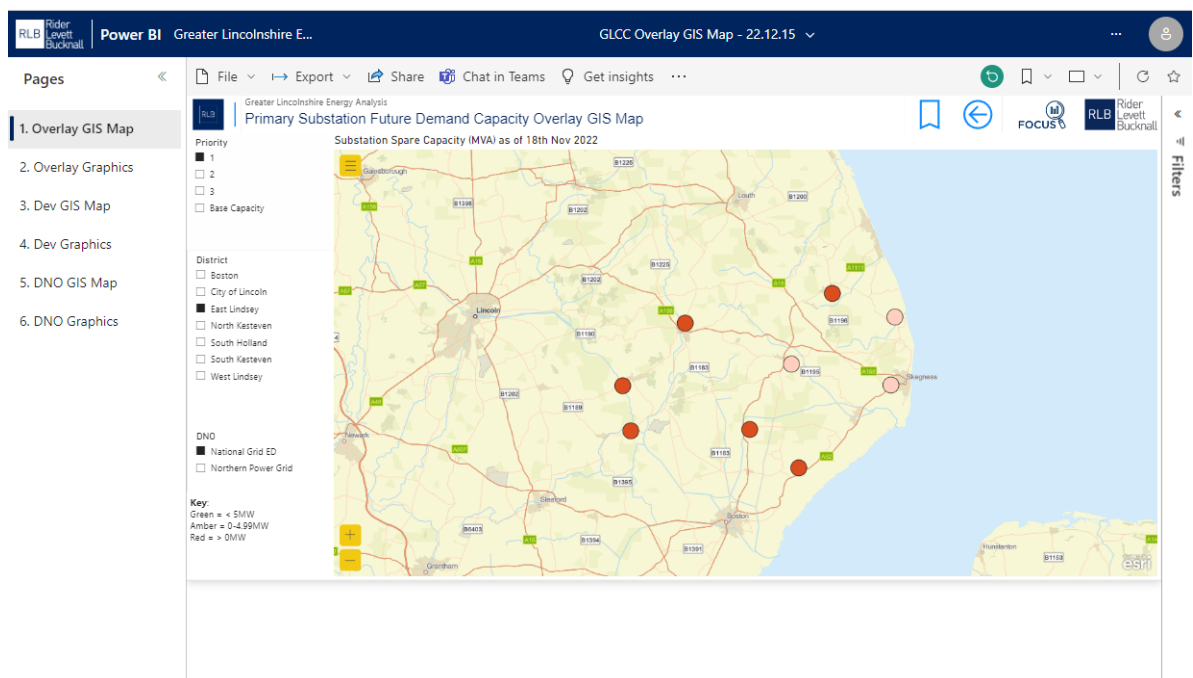


Figure 1 – Power BI mapping extract showing Primary Substation Future Power Capacity in East Lindsey (for developments that have delivery timescales of 1-3 years)

- **Open Data Utility Reports**– investigating and examining what information utility companies have freely available enables increased knowledge and understanding of the current situation regarding utility provision in Lincolnshire. Having an improved awareness of networks, available data, and an appreciation of plans of how they are reducing greenhouse gas emissions in their sector enables us to use this intelligence in future planning for growth in the county and helps link to the Council’s Green Masterplan. The electricity report previously produced as part of this work, is currently being reviewed and updated with DNOs 2023 to 2028 business plan information, and the Gas report is being progressed and prepared.
- **UK Food Valley (UKFV) Local Area Energy Plan (LAEP)** – Collaboration with other departments and service areas is occurring. The UKFV Local Area Plan project has

been commissioned by the Greater Lincolnshire Local Enterprise Partnership (GLLEP). The Project Officer- Utilities is involved to input and help prevent duplication.

Place – Specific sites and areas:

- **South Lincolnshire Food Enterprise Zone (SL FEZ) Ph 2 and Ph 3** – Understanding the energy options available (including renewables) for Ph 2 and Ph 3 of the SL FEZ with the view that constraints could be resolved by undertaking one or more of the options. Conversations are currently underway with the DNO to provide a solution to the power problem for the initial plots on Phase 2. The DNO applied to OFGEM in the summer of 2022 for permission to build and maintain a new Primary sub station as an ahead of needs Investment. The decision whether this will be approved by OFGEM is imminent. Both LCC and SHDC submitted joint evidence of growth and required need in the greater Holbeach area
- **Involvement in review of energy related Nationally Significant Infrastructure Projects (NSIP) applications** – When new NSIP applications are received, and when new documents are submitted for existing NSIPs progressing through the development consent stages this information is reviewed, and comments returned from a Growth perspective.

The table below shows the NSIP applications to date that have been reviewed and commented on, their status, and application stage (from the National Infrastructure Planning website - [National Infrastructure Planning \(planninginspectorate.gov.uk\)](https://www.planninginspectorate.gov.uk))

| Scheme | Status | Stage in NSIP process |
|-----------------------------|---|------------------------------|
| Cottam Solar Project | Application received by the Planning Inspectorate on 12 January 2023. The acceptance decision on this application should therefore be made by Thursday 09 February 2023 | Acceptance |
| Gate Burton | Application received by the Planning Inspectorate on 27 January 2023. The acceptance decision on this application should therefore be made by Friday 24 February 2023 – then goes into pre-examination. | Acceptance |
| Outer Dowsing Wind | The application is expected to be submitted to the Planning Inspectorate Q4 2023. | Pre-application |

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|-----------------------------------|---|------------------|
| Tillbridge Solar Project | Application is expected to be submitted to the Planning Inspectorate Q3 2023. | Pre application |
| West Burton Solar | The application is expected to be submitted to the Planning Inspectorate Q1 2023. | Pre- application |
| Viking CCS Pipeline | The application is expected to be submitted to the Planning Inspectorate Q1 2023 | Pre- application |
| Humber Low Carbon pipeline | The application is expected to be submitted to the Planning Inspectorate Q1 2023 | Pre- application |

It is understood that there will be a consultation on the community benefits associated with NSIP schemes, seeking views, and setting parameters of what is reasonable to ask for. This, coupled with the LCC Position Statement that is progressing through internal governance will enable LCC to seek maximum benefits to the local community for proposed NSIPs, helping to create thriving environments that have high aspirations as per LCC's Corporate Plan.

Problem solving:

Collaborations within and between departments and service areas can help problem solving, and discussions about cross cutting themes with colleagues have commenced and are progressing.

Although it falls out of the main scope of the work programme, it is recognised that the cost-of-living situation is a key concern to both residents and businesses in Lincolnshire. Elements of the work programme can help inform the range of initiatives being promoted by other departments and the districts, to help residents struggling with the cost-of-living situation in Lincolnshire, and necessary links to progress this will be made.

Engagement:

It is recognised that engagement with all relevant parties is key to the success of the work programme, and progress has been made to establish working relationships with key local contacts. This work includes:

- **Establishing a programme of meetings with utility network providers to discuss growth priorities in the Lincolnshire area** – Progress has been made to develop working relationships with key players in both of the DNO areas that operate in the Lincolnshire area. This has, and will continue to:
 - create clear communications channels
 - gain efficient and effective answers to questions, and
 - understand their network assets, capacity, constraints, and plans.

- **Establishing relationship with Midlands Net Zero Hub to understand what work it is doing in Lincolnshire and collaborate where possible** – This has enabled enhanced dialogue and collaboration, sharing best practice and increasing knowledge of projects across the East Midlands area. This information, and case studies can be used as examples of things that might be considered to be progressed in the Lincolnshire area to support economic growth, the Green Masterplan, and the ambitions of the Corporate plan.

2. Conclusion

The energy landscape is a fast moving and in a state of flux. This can be seen by the newly created Department of Energy Security and Net Zero (DESNZ), that has been tasked with “securing our long-term energy supply, bringing down bills and halving inflation”. Although, at the time of writing, it is unclear what priorities and outcomes of DESNZ will be, this will be monitored to ensure that the national context is properly understood.

In terms of the work programme, a number of tasks and activities have been progressed since October to gain intelligence and information about the current energy landscape in Lincolnshire, in order for an evidence base to be established. When this work has been completed, it will be used to formulate a clear action plan, detailing what actions can be taken, and likely costs, that takes into account any new ambitions that the DESNZ might have. This action plan will then need to be discussed and agreed by relevant parties.

It is also recognised, that as energy falls across many areas of the Council, a collaborative approach to this is required, especially in terms of the cost-of-living situation where elements of the work programme will contribute to the work of the Authority by informing emerging and future strategy, policy and activity relating to energy security.

The importance of energy, and the other utilities is recognised, and therefore a schedule of updates for this committee is being established to ensure that work activities, intelligence and progress is shared.

3. Consultation

a) Risks and Impact Analysis

N/A

4. Background Papers

Energy for Growth (utilities provision in Greater Lincolnshire) – 25 October 2022

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