

Agenda Item IMD13

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: 2023/13

TITLE	Agreement of WBC Representations to Ofgem Consultation
DECISION TO BE MADE BY	Executive Member for Climate Emergency and Resident Services - Sarah Kerr
DATE, MEETING ROOM and TIME	16 June 2023 LGF4 at 10.30am
WARD	None specific
DIRECTOR / KEY OFFICER	Deputy Chief Executive - Graham Ebers

PURPOSE OF REPORT (Inc Strategic Outcomes)

To agree representations to be submitted by Wokingham Borough Council to an open letter consultation from Ofgem regarding future reform to the electricity connections process

RECOMMENDATION

That the Executive Member for Climate Emergency and Resident Services approves the proposed representations from Wokingham Borough Council to an Ofgem open letter consultation regarding future reform to the electricity connections process, as appended to this report.

SUMMARY OF REPORT

The delivery of the Barkham Solar Farm had previously been progressing on the basis of a formal offer received from SSEN in April 2022 to connect to the grid by 2026. In April 2023, Wokingham Borough Council was advised that connection could not now be achieved until 2037. The solar farm project has been put on hold pending the resolution of the connection issue.

On 16th May 2023 Ofgem (the Regulator) published an open letter to stakeholders on future reform to the electricity connection process (see appendix A). Responses are requested by 16th June. The letter follows various publications by Government and the Market regarding aspirations to decarbonise the grid by 2035 and the reforms to the connection process required to facilitate those aspirations. It is anticipated that the various consultations and publications will culminate in the publication of a joint action plan between Ofgem and the Government in the Summer.

Such reforms are necessary if the Barkham Solar Farm is to progress on the agreed programme. It is therefore recommended that Wokingham Borough Council provide a response to the Ofgem consultation; supporting the reforms and offering further input if that would assist. A recommended response letter is included at appendix B.

Background

The delivery of the Barkham Solar Farm had previously been progressing on the basis of a formal offer received from SSEN in April 2022 to connect to the grid by 2026. In April 2023, Wokingham Borough Council was advised by SSEN that connection to the Grid could not now be achieved until 2037. The design and survey work for the solar farm project has therefore been put on hold pending the resolution of the connection issue.

The Council has now met with SSEN and National Grid. Commitment has been received from those parties towards the Barkham project and work they are doing to explore ways to accelerate the connection date. These parties are however confined by their existing regulations and their licences.

Notwithstanding this, the industry is aligned for and working towards significant reform of the UK grid connection process.

In February 2023 the Government created the new Department for Energy Security and Net Zero. This was followed in March by the publication of the Government's manifesto – 'Powering Up Britain'. This set out a goal to quintuple our solar power by 2035 and an ambition to fully decarbonise the power system by 2035, subject to security of supply.

In April 2023 the Energy Networks Association (ENA) published a 3-step action plan to speed up UK grid connection process; which was followed in May 2023 by National Grid's five point plan to speed up the current connections queue. Ofgem identify that through the plans, it is expected that the majority of existing projects will see improvements in connection dates of between 2-10 years, with new offers by March 2024.

On 16th May 2023 Ofgem (the Regulator) published an open letter to stakeholders on future reform to the electricity connection process (see appendix A). Responses are requested by 16th June. The letter sets out the challenge, what is needed to tackle the issues and how they are intending to deliver this. Importantly they are not seeking to duplicate industry thinking to date, but to complement it...and will "build on the options developed in the ESO's [National Grid's] upcoming consultation, support and facilitate further industry action, and provide regulatory direction and support where needed".

It is advised that all of this work will culminate in the publication of a joint action plan between Ofgem and the Government in the Summer, which "will represent a key milestone in the next phase of connections reform and set the direction for future action to deliver the progress needed".

In short, the reforms identified by the industry are required if: 1) the ambition to decarbonise the grid by 2035 is to be realised; and 2) Barkham solar farm is to be delivered on the previously agreed programme.

It is therefore recommended that Wokingham Borough Council provide a response to the Ofgem consultation, supporting the reforms and offering further input if that would assist. A recommended response letter is included at appendix B.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	0	Yes	R
Next Financial Year (Year 2)	0	Yes	R
Following Financial Year (Year 3)	0	Yes	R

Other financial information relevant to the Recommendation/Decision

The making of representations to the Ofgem consultation will not of themselves have a direct financial implication for the council; but the reforms, if enacted, could have a positive impact upon the delivery of the Barkham Solar Farm.

Cross-Council Implications

The making of representations would not of themselves directly impact other council services; but the reforms, if enacted, could have a positive impact upon the delivery of Barkham Solar Farm.

Public Sector Equality Duty

The making of representations to the Ofgem consultation will not of themselves negatively impact upon persons with protected characteristics.

SUMMARY OF CONSULTATION RESPONSES

Director – Resources and Assets	No comment
Monitoring Officer	No comment
Leader of the Council	No comment

Reasons for considering the report in Part 2

N/A

List of Background Papers

Appendix A – Ofgem Open Letter
Appendix B – Recommended response

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