

The new Energy Security Strategy – is planning the key?

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The Government has recently announced its new Energy Security Strategy, with the Prime Minister stating that it will make British energy “cleaner, more affordable and more secure”. The theory behind the strategy is to help the UK produce more of its own energy, which is particularly pressing at the moment, considering our rapidly escalating energy bills, and surging oil prices following Russia’s invasion of Ukraine.

The strategy sets out the various ways this could be achieved. These include the construction of more windfarms, further use of solar and nuclear power, and the expansion of North Sea gas production.

Oil and gas

As expected, the Government intends to phase out Russian oil and gas during 2022. 8% of the UK’s oil imports come from Russia, as do 4% of our gas imports. The Government has therefore set up a Taskforce on Oil to help companies source alternative oil supplies. This will include further exploitation of North Sea oil and gas production, which, while necessary, doesn’t feel like a positive step towards ‘net-zero’.

Windfarms

The strategy recognises that the UK’s shallow seabeds and high winds offer us unique advantages when it comes to harnessing wind. The headline in the strategy is a target to generate 25% of the UK’s energy by 2030, with greater use of offshore wind generation. This will end the moratorium on wind farms, and make the UK “the Saudi Arabia of wind power”, whatever that means...

Windfarms are both a political and a planning hot potato. The Cabinet is split on whether new windfarms should be constructed, and although these projects tend to have public support, nobody wants them in their own backyard. Despite their downsides, and the damage they can do to habitats through both construction and ongoing use, the Government feels that, on balance, windfarms ultimately benefit the environment because they help reduce the damage to habitats that is caused by other energy types.

The strategy proposes to cut the time taken by the planning process for offshore wind farm applications by over half, with environmental considerations assessed at a “more strategic level”, reducing paperwork, fast-tracking cases, and setting up a taskforce. This suggests a more ‘top-down’ approach, with decisions being taken at a national level. Conversely, when it comes to onshore wind, “our plans will prioritise putting local communities in control”. These strategies seem at odds with each other, suggesting two entirely different consent regimes.

Nuclear

Nuclear energy will form a major part of the UK's energy generation for the foreseeable future. Widely perceived as an unsatisfactory long-term solution, nuclear power is still viewed by the Government as a better alternative to fossil fuels, with the Prime Minister committed to ending coal-fired power generation by October 2024.

Despite concerns raised by the Treasury, the Government has announced that smaller module reactors are to be constructed in up to eight places by 2050. Despite the fanfare in the strategy, there has been no headline announcement on the relaxing of current planning rules so the new reactors are still likely to take a considerable time to come to fruition.

Solar

The strategy notes that the cost of obtaining solar energy has dropped by 85% in the last decade, and so the Government is aiming for an increase of 500% in use of solar panels, by 2035. The strategy promises to amend planning rules to strengthen policy in favour of the development of solar farms on non-protected land. It is also proposed that residential and commercial rooftops will receive new permitted development rights for the installation of solar panels. In Chancellor Rishi Sunak's spring statement in March, VAT on solar panels for homes was cut from 5% to zero for the next five years.

Fracking

While not included in the strategy, it is also interesting that following recent studies, the Government has also hinted at a possible U-turn on the moratorium on fracking, with Brexit Opportunities Minister Jacob Rees-Mogg downplaying the risk of earthquakes.

What next?

The Business Secretary, Kwasi Kwarteng, has conceded that the Energy Security Strategy will do little to help alleviate soaring fuel bills right now. On the contrary, the Lib Dems have pointed out that funding these new nuclear power stations will also leave the taxpayer poorer at a time when they are already stretched.

If it won't be more affordable, then will it at least be cleaner? One can't help but view the mixed messages of the new Energy Security Strategy with a certain degree of scepticism. Time will tell if the Government is committed to renewable energy, or whether this is merely a garnish when the main course is oil, gas and nuclear, with even fracking being brought back to the table. No wonder some are speculating whether Russia's invasion of Ukraine is being used as a pretext to push through some less palatable options.

In any event, none of the changes will be immediate. Anything that requires amendments to planning law will require secondary legislation, which could mean further amendments by the time it hits the statute books.