### Policy Context for Renewable Energy in Dorset

# Summary of key policies affecting renewable energy deployment in Bournemouth, Dorset and Poole

#### 1. National and International Legislation

#### 1.1 The EU Renewable Energy Directive (2009/28/EC)

This commits the EU to generating 20% of total energy consumed by 2020 from renewable sources. As a result the UK has a legally binding target to generate 15% of all of its energy (including heat, electricity and transport) from renewable sources by 2020. The UK Renewable Energy Strategy gives more details of how this can be achieved.

#### **1.2 The Climate Change Act<sup>1</sup> (2008)**

This sets a legally binding target for reducing UK  $CO_2$  emissions by at least 80% on 1990 levels by 2050. It also established binding carbon budgets for the UK Government over successive five-year periods, which require a 34% reduction in <u>CO<sub>2</sub> equivalent</u> emissions on 1990 levels by 2020. It also introduced two incentive mechanisms, the CRC Energy Efficiency Scheme (formerly known as the Carbon Reduction Commitment<sup>2</sup>) and the Community Energy Savings Programme (CESP<sup>3</sup>).

#### **1.3 The Energy Act<sup>4</sup> (2008)**

Amongst many other things, this Act provides the legislative basis for the Feed-in Tariff, the Renewable Heat Incentive and the Renewables Obligation.

#### 1.4 Planning and Energy Act<sup>5</sup> (2008)

This allows local authorities in England and Wales to impose reasonable requirements on new development to generate a proportion of its energy from local renewable and low carbon sources of energy.

## 1.5 The Localism Act (2011), National Planning Policy Framework and National Policy Statement for Renewable Energy Infrastructure

Wholesale reform of the planning system is currently being undertaken through the Localism Act (2011) and the National Planning Policy Framework (NPPF), introduced in March 2012. Regional Spatial Strategies are being abolished and through the guidance set out in the NPPF, will now be delivered through the development of Local Plans and Neighbourhood Plans. At the heart of the

<sup>&</sup>lt;sup>1</sup> www.opsi.gov.uk/acts/acts2008/ukpga 20080027 en 1

<sup>&</sup>lt;sup>2</sup> www.decc.gov.uk/en/content/cms/what\_we\_do/lc\_uk/crc/crc.aspx

<sup>&</sup>lt;sup>3</sup> <u>www.decc.gov.uk/en/content/cms/what\_we\_do/consumers/saving\_energy/cesp/cesp.aspx</u>

<sup>&</sup>lt;sup>4</sup> www.opsi.gov.uk/acts/acts2008/ukpga 20080032 en 1

<sup>&</sup>lt;sup>5</sup> www.opsi.gov.uk/acts/acts2008/ukpga 20080021 en 1

NPPF is a presumption in favour of sustainable development which should be reflected when developing local planning policy and also in determination of planning applications. In particular, the NPPF indicates that development proposals should be granted permission in accordance with the development plan (i.e. adopted Local Plan or Neighbourhood Plans) unless it is absent, silent or relevant policies are out-of-date. The NPPF therefore recommends that it is highly desirable that local planning authorities should have an up-to-date plan in place. West Dorset District Council in partnership with Weymouth and Portland Borough Council are developing a Local Plan alongside a Neighbourhood Plan in Cerne Abbas as part of a national pilot.

North Dorset District Council is currently supporting the community in Gillingham to develop a neighbourhood plan.

A draft West Dorset, Weymouth and Portland Local Plan has been completed and is currently out for public consultation. The renewable energy section makes reference to the 7.5% local renewable energy generation by 2020 aspirational target in the Bournemouth, Dorset and Poole Renewable Energy Strategy. All Bournemouth, Dorset and Poole Planning Authorities are currently at various stages of preparing Local Plans.

The NPPF contains several paragraphs highlighting the need for local planning authorities to recognise the responsibility on all communities to contribute to energy generation from renewable or low carbon sources, for example, paragraph 97:

- having a positive strategy to promote energy from renewable and low carbon sources;
- designing policies to maximise renewable energy development, whilst ensuring adverse impacts such as cumulative landscape and visual impacts are addressed satisfactorily;
- consider identifying suitable areas for renewable and low carbon energy sources, where this would help secure the development of such sources;
- support community-led initiatives for renewable and low carbon energy
- identifying opportunities where development can draw its energy supply from decentralised, renewable or low carbon energy supply systems and for co-locating potential heat customers and suppliers.

The National Policy Statement for Renewable Energy Infrastructure, whilst primarily aimed at large scale developments larger than 50MW, which are determined by the Secretary of State, provides very useful detailed guidance for local authorities in determining renewable energy planning applications.

A footnote in the NPPF to third bullet point above states:

"When assessing the likely impacts of potential wind energy development when identifying suitable areas, and in determining planning applications for such development, planning authorities should follow the approach set out in the National Policy Statement for Renewable Energy Infrastructure (read with the relevant sections of the Overarching National Policy Statement for Energy Infrastructure, including that on aviation impacts). Where plans identify areas as suitable for renewable and low carbon development, they should make clear what criteria have determined their selection, including for what size of development the areas are considered suitable"

#### 1.6 Planning Acts (1990, 1991, 2004 and 2008)

These Acts provided the legal basis for the English Planning Policy Statements, including the Climate Change supplement to PPS1. The South West Planners Toolkit<sup>6</sup>, hosted on the Regen SW website supported planning authorities in their implementation of the PPS1 supplement. The Planning Act 2008 also introduced the enabling legislation for the Community Infrastructure Levy (CIL), which could be used as a mechanism for funding community heating infrastructure linked to new development. Planning Policy Statements (PPS's) of particular relevance to renewable energy were:

- PPS1 Delivering Sustainable Development
- PPS1 Planning and Climate Change Supplement to Planning Policy Statement 1
- PPS11 Regional Spatial Strategies
- PPS12 Local Spatial Planning
- PPS22 Renewable Energy

However, these Planning Policy Statements have all now been superseded by the National Planning Policy Framework.

#### 2. UK Strategies and Policies

#### 2.1 UK Low Carbon Transition Plan (2009)

This sets out how the UK will achieve a 34% cut in  $CO_2$  equivalent emissions by 2020. It sets a target of 40% of electricity to be generated from low carbon sources by 2020 and introduced a range of financial mechanisms, including:

- An extended Renewables Obligation for large scale renewable electricity generation, which requires electricity supply companies to purchase a proportion of their electricity from renewable sources, as demonstrated by Renewable Obligation Certificates (ROC's). This provides additional support for emerging technologies such as Anaerobic Digestion, biomass CHP and offshore wind
- An amended Renewable Transport Fuel Obligation
- The Renewable Heat Incentive (RHI) and Feed-in-Tariffs (FiTs) to pay a guaranteed premium for each unit of renewable heat or small-scale renewable electricity generation

The Plan is accompanied by a suite of documents:

- The UK Renewable Energy Strategy
- The UK Low Carbon Industrial Strategy
- Consultation on Renewable Electricity Financial Incentives
- Low Carbon Transport: A Greener Future

#### 2.2 UK Renewable Energy Strategy (2009)

This describes how the UK will meet its legally binding target to supply 15% of all of the energy it uses from renewable sources by 2020. It anticipates that this will be achieved by using renewable energy technologies to supply:

<sup>&</sup>lt;sup>6</sup> <u>http://www.swplanners-toolkit.co.uk/</u>

- Over 30% of our electricity
- 12% of our heat
- 10% of our energy for transport

#### 2.3 Household Energy Management Strategy<sup>7</sup>

This provides support for developing district heating networks to serve existing dwellings, and other buildings, in suitable, higher density areas. It encourages the development of combined heat and power and better use of surplus heat through carbon-pricing mechanisms. By 2020 the strategy states up to 7 million homes will have received eco-upgrades, including improvements such as solid wall insulation or renewable energy generating technologies.

#### 2.4 Building Regulations and Zero Carbon

Under 'Building a Greener Future' all new homes will need to be zero carbon from 2016, with all new non-domestic buildings built to zero carbon standards from 2019, except new schools and other public buildings which will need to be zero carbon from 2018. Government is still deciding on the definition of zero carbon, in particular the degree to which developers could make up a proportion of the required carbon reductions either through offsite projects or payments to a fund – known as "allowable solutions".

#### 3. Key Incentives

#### 3.1 Feed in Tariff<sup>8</sup> (FiTs)

These were introduced in April 2010 and are payable to all property owners installing small scale renewable electricity installations up to a maximum capacity of 5 MW. Whilst payment is not a grant towards the capital cost, householders are paid for all the electricity generated and not just for that exported to the grid. Payments are at a guaranteed level for 10-25 years, with the exact tariff payable dependant on the size and type of the technology installed. An increased rate of microgen installation has resulted. In addition, a comprehensive review of the tariffs for all technologies is currently out for consultation, including changes to how tariff degressions will be implemented.

#### 3.2 Renewable Heat Incentive

The introduction of the Renewable Heat Incentive is predicted to encourage increased uptake of renewable heat technologies. The scheme opened for commercial projects in autumn 2011 and is due to start for domestic installations from autumn 2012. Suitable projects installed from July 2009 onwards before the start of the scheme will be eligible to receive payments.

#### 3.3 The Renewables Obligation

**The Renewables Obligation** - supports larger renewable electricity installations. Government has recently consulted on re-banding the obligation to reduce the amount of support available for most onshore technologies, and to increase it for wave and tidal technologies. From 2017, the

<sup>&</sup>lt;sup>7</sup> www.decc.gov.uk/en/content/cms/what\_we\_do/consumers/saving\_energy/hem/hem.aspx

<sup>&</sup>lt;sup>8</sup> <u>www.decc.gov.uk/en/content/cms/consultations/elec\_financial/elec\_financial.aspx</u>

Renewables Obligation will be replaced by a Contract for Difference Feed-in Tariff. The details of how this will work are still being decided.

#### 3.4 Removal of restrictions on LAs selling renewable electricity

Chris Huhne, former Secretary of State at DECC announced removal of this restriction in August 2010. In an accompanying press release he said that local authorities could generate up to  $\pounds$ 100m per year from feed-in tariff income from renewable energy installations on their land and public buildings, including schools, which should help to make the development renewable energy generation technologies on council owned properties a more attractive proposition.

#### 3.5 The Green Deal

Whilst full details have not yet emerged, the likelihood is that this will offer householders a low cost loan over 20 years in order to install energy efficiency measures. It is due to be introduced from autumn 2012. Microgeneration technologies may be marketed alongside energy efficiency measures and improved domestic energy efficiency should mean that more homes are suited to technologies such as heat pumps.

#### 3.6 Grants

The Renewable Energy Strategy 2009 introduced *Capital Grants* for bioenergy plants and bioenergy supply-chain infrastructure and *Energy Crops Grants* for planting perennial energy crops such as miscanthus grass and Short Rotation Coppice willow (SRC). In general, most publicly funded grants schemes, including the Low Carbon Buildings Programme, have been stopped since the Feed-in Tariff and Renewable Heat Incentive were announced. However, there are still some grants available for domestic energy efficiency measures and for community groups.

#### 4 Local Policies

#### 4.1 Policies affecting more than one local authority

Rather than detail every strategy, plan or policy within Bournemouth, Dorset and Poole the following table aims to summarise the extent to which renewables are covered and supported by current key documents within the sub region.

Plan/policy	Supportive of renewables?	Relevant section	Specific references	Suggestions for strengthening links
Bournemouth, Dorset and Poole Local Investment Plan 2010-2026 <sup>9</sup>	Yes, extensive references, especially from economic perspective	Vision and investment priorities	Ambition for Green Knowledge Economy. Potential to maximise microgen. Need for strategic scale renewables recognised. Support for biomass at specific sites. Recognises economic opportunities of offshore wind. Potential for LA's to support district heating.	Many mentions of renewables but only 1 targeted investment priority.

<sup>&</sup>lt;sup>9</sup>http://www.investindorset.co.uk/downloads/Local%20Investment%20Plan%20for%20BDP.pdf

Working draft SE Dorset Green Infrastructure Strategy <sup>10</sup>	Yes but limited references	Introduction, vision and implementati on & delivery	Woodfuels and energy crops. Using seafront to educate people about low carbon lifestyles Local food and community garden initiatives could consider small scale renewable energy Refers to marine sector and new environmental technologies cluster. Encourage microgen in business sector. Desire to green <i>existing</i> economy through product and process innovations to tackle climate change.	Could promote opportunities presented by a local supply chain of woodfuels
Multi Area Agreement (MAA) including a) the economic strategy action plan, b) the signed MAA, c) Green Knowledge Economy (GKE) briefing note	Yes but limited references and no specific RE actions included	Vision in signed MAA. Aim of economic strategy action plan. Implied within aims of GKE model		More detailed links could be made in light of adoption of GKE model, with specific actions and targets included.
Local Carbon Framework	Yes – main aim is to reduce carbon emissions.	Not a published plan as such but linked set of pilot projects being developed to Sept 2011. Mainly research and feasibility studies. Projects under 4 headings: Energy, Low Carbon Travel, Waste and Data/ monitoring.	<ul> <li>Projects include : <ol> <li>Biomass / CHP district heating</li> <li>(Dorchester feasibility study)</li> <li>Local authority wood fuel self-supply / supply chain study</li> <li>Local authority led RE</li> <li>developments on own estate</li> <li>Microgeneration promotion in the domestic sector</li> <li>Review of Bournemouth, Dorset and Poole Renewable Energy</li> <li>Strategy &amp; Action Plan</li> <li>Energy from waste carbon study</li> <li>Support for West of Wight offshore wind farm</li> <li>Low Carbon food-chain study</li> <li>Carbon reduction modelling of travel policy options</li> <li>Behaviour change needed to promote modal shift in travel choices</li> <li>Pre-choice child miles study to encourage use of nearest school</li> <li>Electric vehicle recharging</li> <li>Area based housing schemes – understanding energy efficiency</li> <li>Carbon-counting from waste prevention</li> <li>Community sector capacity building</li> </ol></li></ul>	Good links already made with other pilot areas, including Bristol and Plymouth. Need to ensure lessons learned from pilots are embedded across other policies in local area once projects end.
Dorset Local Enterprise Partnership (LEP)	The LEP is in the process of being established and is due to be launched in April 2012.	Prospectus sets out broad objectives and priorities	The Prospectus for LEP sets out 4 key objectives I) To improve the performance of existing businesses within Dorset, and to encourage the growth of new ones, e.g. through inward investment ii)To enhance the skills of our current and future workforce iii)To improve electronic and physical connectivity, particularly through high speed broadband coverage	The need to work closely with the LEP to ensure the Economic opportunities presented by renewable energy has been highlighted within the RE Strategy

<sup>10</sup> <u>http://www.dorsetforyou.com/392709</u>

Local Transport Plan 3 <sup>11</sup>	Currently in development		iv)To create the conditions for enterprise, with an initial focus on establishing a coherent framework for spatial planning Securing opportunities for economic growth from off shore renewables has already been highlighted as a priority for the LEP, but other opportunities exist which need to be further explored, such as renewable energy supply chains , sustainability in enterprise and the concept of a Green Knowledge Economy.	Transport excluded by RE strategy update but may be some opportunities for links
Dorset AONB Management Plan 2009-2014 <sup>12</sup>	Yes, of technology and installations that are compatible with AONB aims - ie sensitive in location and materials	Specific policies in 2 sections: "Land Managemen t & Local Products" & "Planning development & infrastructur e"	Promotion of local woodfuel sourcing which could provide economic and landscape opportunities (plus County woodfuel resource study published 2009). Guidance to increase the uptake of anaerobic digestion and woodfuel use. Support and advise on new woodfuel heating installations in villages and estates. Principles for considering renewable energy development in the AONB (plus Draft guidance produced for development of appropriate wind turbines within the AONB. Guidance produced for development of solar PV generation within the AONB.) Target of 8 new woodfuel installations by 2014 and a landscape sensitivity study completed by 2011.	Woodfuel supply links through Woodlink (hosted by Dorset AONB) Provision of landscape advice to help develop a more supportive planning system for renewable energy.
Cranborne Chase & West Wiltshire Downs AONB Management Plan 2009-2014 <sup>13</sup>	Yes, provided technologies "integrate with the landscape character, are neither visually intrusive, nor harmful to wildlife and are appropriate in scale."	Crosscutting sustainable economy & natural resources themes.	Promotion of local woodfuel & maximising benefits Wind turbines should not be sited within the AONB boundary. Wood fuelled heating, micro- hydro, on farm biodigestion, active solar and photovoltaics (PV) supported. Support for community based renewables	

<sup>&</sup>lt;sup>11</sup> <u>http://www.dorsetforyou.com/395029</u>
<sup>12</sup> <u>http://www.dorsetaonb.org.uk/partnership/dorset-aonb-partnership/33.html</u>
<sup>13</sup> <u>http://www.ccwwdaonb.org.uk/projects/manplan.htm</u>

The Dorset Coast Strategy (1999) <sup>14</sup> and Renewable Energy Topic Paper (2004) <sup>15</sup>	Yes	Vision	Thriving and diverse coastal economy, including continued exploration of offshore energy. Topic paper covers issues affecting development, opportunities and barriers in the coastal zone, with suggestions for taking action.	Being updated so opportunities to link to updated RE Strategy and deliver actions / set targets. Topic paper should prove a helpful starting point for the update of the coast strategy itself.
--	-----	--------	---	--

#### 4.2 Policies affecting individual local authorities

In addition to policies covered above the nine separate local authorities each produces a number of documents, such as:-

- Local Development Frameworks
- Corporate Plans and Internal Policies eg Procurement Policies
- Sustainable Community Strategies and Local Strategic Partnerships
- Housing Strategies
- Climate Change Action Plans /Strategies
- Carbon Management Plan
- Local Economic Assessments

Because of the scale of the task involved it has not been possible to analyse all of these local policies to establish the level of support for renewable energy. As a result of an uncertain and rapidly changing planning regime under the coalition government, the approach to planning policy varies across the area. For example, the Borough of Poole has an adopted Core strategy<sup>16</sup>, which contains policies supporting the sustainable use and generation of energy from on site renewables, whilst West Dorset has decided to stop all work towards production of its Core Strategy until the new planning regime has been introduced and clarified. The box below provides further details on local planning policies that seek to encourage renewable technologies, sustainable construction techniques and energy efficiency.

#### 4.3 Renewables and local planning policy

District and Unitary councils are at varying stages of production of local planning policy. Local Development Frameworks (LDFs) can include policies supporting sustainable construction, energy efficiency, micro renewable technology, combined heat and power/district heating systems and the installation of larger scale renewable energy proposals.

Poole's adopted Core Strategy (Feb 2009) includes:-

- Sustainable construction policies to achieve significant carbon reduction for residential and commercial development
- Criteria for considering renewable energy proposals
- Percentage requirements for the use of on-site resources or linking to off-site renewable energy sources for residential and commercial development
- Policies on the use of energy and resources statements

<sup>14</sup> http://www.dorsetforyou.com/dorsetcoaststrategy

<sup>&</sup>lt;sup>15</sup> http://www.dorsetforyou.com/21432

<sup>&</sup>lt;sup>16</sup> http://www.poole.gov.uk/downloads/assets/Core\_Strategy\_with\_links.pdf

Bournemouth's Plan, the Core Strategy Preferred Options (June 2010) suggests policies:-

- To require at least 10% of energy used in development over a threshold should come from decentralised, renewable or low carbon sources
- To encourage provision of decentralised, renewable or low carbon energy generation subject to criteria.

Christchurch and East Dorset's Core Strategy Pre-Submission (March 2012) includes draft policies on:

- Sustainable development standards (including energy efficiency and orientation for solar gain) for residential and non-residential development including new homes, and the extension of existing homes will be expected to meet national sustainable development standards. Schemes that meet higher standards will be considered more favourably.
- Renewable energy provision for residential and non-residential developments expectation will be that 15% of the total energy used in these types of development will be from renewable, decentralised, and low carbon energy sources. If applicable national standards call for a higher percentage of such energy, the national standards will be applied.
- Within larger developments and new neighbourhoods/urban extensions, require the investigation of options for district heating and/or power facilities.

North Dorset's The New Plan, Draft Core Strategy and Development Management Policies (March 2010) include a development management policy to:-

- Support proposals for energy generation from renewable sources if they meet the relevant criteria
- Require new housing and commercial development over a threshold to provide at least 10% of on-site energy from renewable sources

Purbeck's Core Strategy Pre-Submission (November 2010) includes policies to:

- Demonstrate that new housing and commercial development over a threshold provides at least 10% of the total energy use requirements from decentralised, renewable or low carbon sources
- Demonstrate effort is made to achieve significant carbon reduction in all new built development
- Encourages renewable energy where adverse social and environmental impacts are minimised and relevant criteria are met.

West Dorset is working as a vanguard authority to pilot the Government's new local and neighbourhood planning agenda. As yet no policy approach on renewable energy is available. Weymouth and Portland's Core Strategy Options (June 2009) included policies to:

- Incorporate renewable energy and energy efficiency measures into new development
- Ensure major development consider the provision of combined heat and power plants and/or links to district heating systems.

What is clear, however, is that a number of authorities will be grappling with common issues, such as how to reduce their own carbon footprint, how to address fuel poverty and how to operate within a landscape of increasing localism. As a result there are clearly opportunities for partnership working to maximise efficiency and share learning. Local Energy plans, as piloted by West Dorset may provide a suitable mechanism to create and embed a deeper understanding of renewable energy at the individual local authority level and to enhance a sense of opportunity and ownership amongst communities.