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20 May 2016

Draft Advice Implementation Net Economic Benefit and Planning guidance

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy agrees that the planning system should, where relevant, take into account the net economic benefit which a development can bring about and weigh this in the planning balance when arriving at planning decisions. However, we believe that guidance of this nature should be generic and principles based, so we are concerned about the complex and specific tone of this draft guidance, which may act as a barrier to entry for smaller developers. We believe that the prescriptive nature of this guidance will encourage applicants to use inappropriate tools and calculations because these are what the guidance recommends and what planners come to expect, rather than because they are the best tools and calculations for a specific application.

Furthermore, the specific methodology laid out to calculate the net economic impact in this guidance seems to have been designed specifically for proposals such as retail centres. We are concerned that applicants for all types of development would effectively be required to use these tools and calculations, regardless of their appropriateness. The purpose, benefits and economics of energy infrastructure projects are completely different to those of retail centres; therefore, a single calculation cannot be used to assess both types of project, as both the process and outputs are completely different. We believe that energy infrastructure planning applications should be assessed on a case by case basis, and planners should consider any pieces of evidence and any calculations that applicants believe are appropriate for the specific application.

We find the "Calculating the net economic impact" section of the draft guidance to be confusing and unclear. For example, paragraph 18 appears to state that the cost of construction should be considered to be an economic cost, whilst the revenue of the

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development should be considered an economic benefit. Whilst this is true for developers, it is not the case for communities, as a large portion of developers' costs are likely to be spent on local goods and services, and a portion of the revenue will be taken out of the area by site developers/owners/operators. We believe this section of the draft guidance should be rewritten to clearly define who will face which costs and benefits, and what impact these will have on local communities. This section should also consider the source of funding for developments, as the costs and benefits to local communities will be different for public and private developments. The use of tables may help to clarify this.

EDF Energy is also concerned that this guidance does not place sufficient emphasis upon the economic benefits delivered by community funds paid by developers, business rates paid by operators, and the use of local labour for the construction and operation of such infrastructure. We would like to emphasise the fact that the opportunities for employment and training created by energy infrastructure projects are of a highly skilled nature, and therefore are particularly beneficial to local communities. We believe that by giving a few examples of the economic benefits of energy infrastructure projects, but omitting others (such as those mentioned above), this draft guidance gives the impression that more weight should be given to some economic benefits than others. Therefore, we recommend that this guidance should be amended so that it is a more generic, principles based document, which does not give a limited number of specific examples.

We would like to highlight the fact that energy infrastructure projects may be consented under Section 36 of the Electricity Act (2008). The draft guidance does not mention this, and appears to assume that the only consenting mechanism is the Town and Country Planning (Scotland) Act (1997). If a project is to be consented via the Section 36 mechanism, then the development plan provisions of National Planning Framework 3 are not directly applicable. We are concerned that planners may erroneously interpret this to mean that net economic benefit should not be considered for Section 36 applications. In either case, we do not believe that net economic benefits should only be considered where proposals are contrary to the development plan, or where issues are finely balanced due to other material considerations. We believe that consideration should be always be given to net economic benefits, although this may not always affect the planning balance.

We would be happy to meet with you in person or via teleconference to discuss these issues further. Should you wish to meet with us, or have any queries about our response, please contact David Cameron on 07875 111722, or myself.

I confirm that this letter may be published on the Scottish Government's website.

Yours sincerely,

Angela Hepworth
Corporate Policy and Regulation Director