



FROM THE LORD WILSON OF SEDGEFIELD
GOVERNMENT WHIP DESNZ, HMT, MHCLG
020 7219 3778

GOVERNMENT WHIPS' OFFICE

HOUSE OF LORDS

LONDON SW1A 0PW

Telephone 020-7219 3131
www.lordswhips.org.uk
holgovernmentwhips@parliament.uk

22 July 2025

Dear Member

Thank you for your valuable contribution to the Grand Committee debate on energy National Policy Statements (NPSs) EN-1, EN-3 and E-5 on 9th July.

I promised to write to you on concerns you raised, and these matters are addressed below.

The Government's commitment to the environment is unwavering, including through meeting the Environment Act targets and halting biodiversity decline by 2030. The environmental assessments conducted on the NPS updates have been considered throughout the process of updating these documents, and due regard will be given to it prior to the final NPS being laid before the House. The Habitats Regulations Assessment and Appraisal of Sustainability are carried out on the framework set out in the NPSs. It is for individual developers to carry out environmental assessments of each development proposal, as they are required to do so by law.

The NPSs set out that a planning application must satisfy the Secretary of State on a number of grounds before it can go ahead. These include how the developer is avoiding, mitigating and compensating for impacts on the natural environment, as well as how any mitigation and compensation will be delivered. The Government has committed to ensuring nature's recovery, and developers will continue to be required to show how their application meets legal and regulatory requirements associated with environmental assessment, ensuring that the mitigation hierarchy is applied to any impacts arising from energy infrastructure.

The NPSs are not spatial strategies and do not set out where energy infrastructure should be located, as it is for industry to propose new energy infrastructure projects that it assesses to be viable, within the strategic framework set out by the Government. The updates to NPSs include reference to the Strategic Spatial Energy Plan (SSEP), currently being developed by the National Energy System Operator (NESO) to ensure that development is undertaken to meet demand across the country. It will identify optimal locations for energy generation and storage infrastructure, taking into account a range of factors, including technology costs, distance from demand centres, cost of transmission and cross-sectoral demands on land.

Strategic network planning will see NESO develop transmission network recommendations based on long-term modelling of energy generation and demand from the strategic spatial energy plan chosen pathways. The aim of this is to enable delivery of the network ahead of need.

The SSEP will be published for consultation in the second quarter of 2026, providing the opportunity for all to provide feedback. The Department for Energy Security and Net Zero is working closely with other government departments to ensure that the SSEP interacts cohesively with the creation of other sectoral plans and spatial strategies, such as the Land Use Framework.

On undergrounding, the Government's position is that overhead lines should generally be the starting presumption, except for in nationally designated landscapes, where undergrounding should be the starting presumption due to the significance of visual impacts. Overhead lines cause less environmental damage than undergrounding, and are much quicker and easier to build, maintain and interconnect with existing circuits. Undergrounding costs an estimated four and a half times more than overhead lines, according to a study published in April 2025 by the Institution of Engineering and Technology. The cost of building this infrastructure is borne by electricity bill payers and it is paramount that we keep costs down.

Communities are providing a service to the country when they host clean energy infrastructure, so there needs to be benefit for them. There are many options in this area including community funds, direct support for households as well as community ownership.

In March 2025, the government published guidance on community funds for electricity transmission network infrastructure. The guidance sets out the Government's expectations for how communities hosting transmission infrastructure should benefit and establishes a fairer and more consistent approach to the delivery of community funding. The guidance also sets a level of benefit of £200,000 per km of overhead line and £530,000 per substation. We expect community funds to be calculated on a per project basis, meaning communities near a project will be eligible for the total amount of funding (as one-off, lump sum payments) as per the overall project.

On 21 May, we published a working paper on community benefits and shared ownership of low carbon energy infrastructure. The proposals would require developers to contribute to community benefit funds to support families, businesses and local community groups who live near offshore wind, onshore wind and solar farms. These plans will regenerate our coastal and rural communities, with new community facilities, apprenticeships and education schemes, boosting local economies and growth as part of the Plan for Change. The paper also sets out how communities could own a stake in renewable energy infrastructure through shared ownership, resulting in profits being reinvested back into the community and the British people having a stake in the clean energy transition.

On 4 July, the government published updated voluntary guidance on community benefits for onshore wind in England, setting expectations that developers pay community benefits of £5,000 per megawatt of installed capacity per year for the operational lifetime of the project. Analyses indicate that a 25MW wind farm in England could deliver around £3.75m of funding local community benefits over a 30-year operating life. If we deliver 29GW of onshore wind by 2030 we could unlock around £70m of additional private investment for community benefits into our rural towns and villages every year.

I hope you will agree that these measures will benefit every household in the country by getting the UK off dependency on fossil fuel markets and protecting billpayers with clean homegrown power. By becoming a clean energy superpower, we are creating jobs and delivering the infrastructure we need to get bills down for good.

I will place a copy of this letter in the library of the House.

Best wishes
Paul

LORD WILSON OF SEDGEFIELD

The Rt Hon the Baroness Coffey DBE
House of Lords