

Local Authority Climate Action Plans

Regional engagement on climate plan assessment framework

April 2021



Context Summary

▲ Situation

- RIIO-ED2 has a big focus on delivering Net Zero at the lowest cost to all customers
- Local planning is critical to delivering Net Zero efficiently as the unique needs of the local area and local energy system need to be taken into account when making decisions
- Ofgem has set the expectation that local plans can be used to inform planning and justify spend, making specific reference to both the Local Heat and Energy Efficiency Strategies approach being used in Scotland and the Energy Systems Catapult LAEP Method

▲ Complication

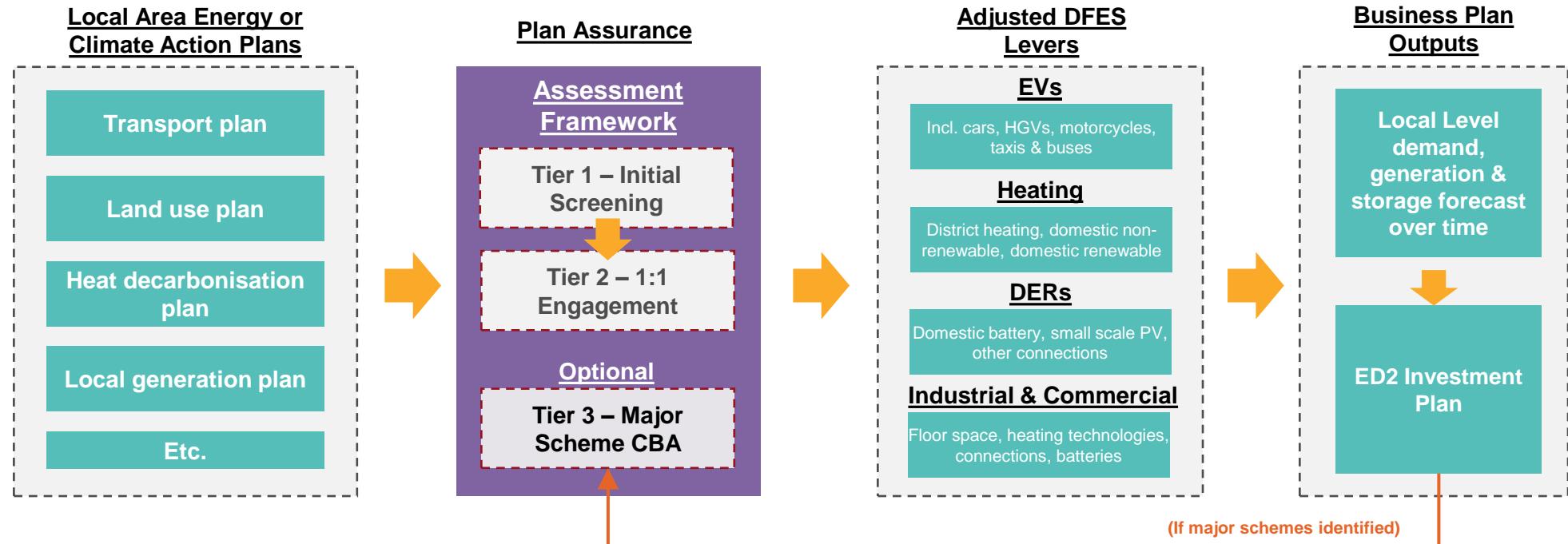
- The LAEP methodology is extremely comprehensive however, it is clear the approach requires significant effort and detailed modelling that may be challenging for the authorities to complete in the near term
- UKPN is keen to support local decarbonisation activities but investment to facilitate this must be robustly justified

▲ Resolution

- We therefore need a framework which will:
 - Ensure a collaborative engagement approach between UKPN and the 127 regional planning authorities in their area
 - Enable network investment to be committed with confidence ensuring a consistent minimum level of confidence before progressing
 - Support decarbonisation whilst not being too resource intensive
 - Foster knowledge sharing across all regional planning authorities to accelerate progress

Overview of framework proposal

- 1. Tier 1 Initial Screening** – based on a data capture form that would be filled in by the local authorities considering the work done to date. The form will use the agreed criteria and minimum requirements descriptions to identify where plans are sufficiently mature to warrant further engagement. UKPN will work with the local authorities or county councils to understand evidence requirements
- 2. Tier 2 consists of a more detailed 1:1 engagement** enabling understanding of the area's unique plans. The basis of this assessment will be more quantitative in nature and focus on the robustness of and confidence in specific plans. The aim is to output an agreed volume and timing adjustment to UKPNs Distributed Future Energy Scenarios that can be used for investment planning.
- 3. A Tier 3 assessment aligned to the existing CBA approach could be used for strategic investments** will be applied if there is a need for larger schemes. As the potential for regret spend is greater with large schemes, further analysis may be required to ensure confidence before committing spend.



The next stage is to run a proof of concept trial

The primary purpose of running a proof-of-concept trial is to test the proposed assessment framework, with the secondary purpose of further understanding how UKPN can best support Local Authorities in developing their local climate action plans.

Core Trial Questions

1	Are the questions and scoring mechanisms correct and fair in terms of level of detail, clarity, min requirements and final outcome?
2	Do the outputs achieve the required levels of confidence for network planners to take the local climate action plan into the UKPN planning process?
3	How much effort is required from a UKPN perspective to support implementation of the framework?
4	How much effort is required from the Local Authorities to support implementation of the framework?

Additionally we are seeking to further understand the support that UKPN can offer to Local Authorities in progressing Local Climate Action Plans. Questions include:

- What are the key challenges or common pain points across Local Authorities?
- What is the extent of the resource constraints for Local Authorities across UKPN's area?
- How can Local Authorities be best supported in creating Local Climate Action plans?
- Who else needs to be engaged for this process to succeed?
- Is there benefit in a more centralised solution, and what role UKPN could or should play in supporting it?