

Fees Charged for Applications under the Electricity Act 1989

Analysis of Consultation Responses

December 2018

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Executive Summary

The consultation

The Scottish Government consulted on proposals to revise fees required by the Electricity (Applications for Consent) Regulations 1990 on applications made under sections 36, 36C and 37 of the Electricity Act 1989.

The consultation document set out proposals for increases to the existing fees, the introduction of new fees for applications under section 36C of the Electricity Act 1989 and the phasing of payments of the application fee at the EIA Scoping stage. The consultation posed 8 questions, with a closed agree / disagree element and also inviting further comment.

The final number of submissions received was 38, including 34 from group respondents and 4 from individual members of the public.

The key findings from the analysis are that respondents views are as follows:

- Current fees are considered to be too low though the fee increase proposed is excessive and disproportionate.
- There is a risk to making onshore renewable generation uneconomic – negative impact on renewable energy deployment and progress to targets.
- More clarity is required over the service improvements to be delivered, such as more certainty around decision timeframe and timely decisions.
- Planning Authorities should receive greater remuneration.
- There is an opportunity to reconsider the categories of fees.
- The variation fee should be substantially lower than a new application fee.
- There should be a second round of consultation as justification for the increase is weak. A revised Business and Regulatory Impact Assessment (BRIA) should be undertaken.
- Implementation of a fee increase should be delayed and should have a grace period.
- Costs would be passed on to consumers – the proposed S37 application fee increase for small scale grid would be a significant increase. The proposed section 36 application fee increase would add 25% to development costs for some large scale projects comprised of both new applications and variations to existing consents.

Further details of the questions asked by the consultation and responses are outlined on the following pages on tables 1 and 2.

Table 1. Questions asked by consultation

Q	Question
1	Do you agree or disagree the application fees should be revised to maintain and improve our service levels?
2	Do you agree or disagree that we should continue to have a fixed fee structure as proposed?
3	Do you agree or disagree with the proposal that application fees should be phased in the manner proposed, to spread the risk associated with potentially abortive or unsuccessful application costs?
4	Do you agree or disagree the existing arrangement should continue where the same fee is required for overhead lines exceeding 15km in length whether or not there is EIA development?
5	Do you agree or disagree with the introduction of a fee for processing applications for variations of consent, whether for EIA or non-EIA development?
6	On balance, do you agree or disagree with the fee levels proposed?
7	Do the proposals in this consultation have any financial, regulatory or resource implications for you and/or your business (if applicable)?
8	Do you have any other comments?

Table 2. Summary of views of respondents

Q	Agree		Disagree		Unclear / no answer		Respondent types with most widespread agreement	Key comments from respondents who agree	Respondent types with most widespread disagreement	Key comments from respondents who disagree
	No.	%	No.	%	No.	%				
1	22	58	11	29	5	13	Planning authorities / other public bodies, professional firms, political organisations, and individuals	The principle of cost recovery and maintaining and improving the service is supported in principle. Fees levels should be adjusted up or down. The Scottish Government should provide greater detail on improvements to be made to the service. Greater remuneration should be given to planning authorities.	Electricity networks companies	Fee levels too high. Lack of detail on Scottish Government resource costs to understand how the proposed fee levels were arrived at. The Scottish Government should provide greater detail on improvements to be made to the service. Greater remuneration should be given to planning authorities.

2	23	61	10	26	5	13	Planning authorities / other public bodies, professional firms, political organisations, and electricity generation companies	A fixed scale on basis of generating capacity or length of line is easier to understand, provides certainty to developers and avoids red line boundaries being manipulated to reduce fees.	Individuals	There should be a sliding scale rather than discrete bands. Fees for variations should be tiered significantly lower. Scoping and screening payments are not justified at the levels proposed. There should be different fee levels to encourage larger, more efficient turbines with a lesser environmental footprint.
3	22	58	11	29	5	13	Electricity networks companies, business/developer membership organisations, planning authorities / other public sector bodies, political organisations, and individuals	Recognise benefits in phasing of the application fee. Question whether the proportion to be paid at screening or scoping stage is appropriate.	Professional firms and consultants	Developers would face more upfront financial exposure. Early engagement with stakeholders would be discouraged. Fee rebate arrangements should be introduced where applications are withdrawn and resubmitted.
4	11	29	9	24	18	47	Planning authorities / other public bodies, political organisations, and individuals	For EIA proposals over 15km, the resource required to provide a response would be unlikely to be less if it were not EIA development. A commensurate share of the fee should go to the local planning authority.	Electricity networks companies, business/developer membership organisations, and professional firms and consultants	The scale, nature and length of the overhead line together would provide a more appropriate basis for fee charging than whether or not a given line requires EIA.
5	22	58	7	18	9	24	Planning authorities / other public bodies, political organisations, professional firms and consultants, and individuals	Variation applications require resourcing from the consenting authority. The proposed fee levels are disproportionately high.	Electricity networks companies	The proposed fee levels are disproportionately high. Consideration should be given to two tiers of fees for simple (or non-material) variations and more complex variations.

6	27	71	5	13	6	16	Political organisations	The proposed fees are comparable with fees in England and Wales. The Scottish Government should aim for parity with fees charged elsewhere in the UK.	Electricity generation developers, electricity networks companies, business/developer membership organisations, and planning authorities / other public bodies	The proposed fees are disproportionately high. Justification of the proposed increases is weak or insufficient. There would be a negative impact on the renewables development industry and progress to targets. There would be added pressure on consumers' bills. The local planning authority should receive greater remuneration. The fees would not be high enough to cover the costs, particularly if planning authorities were to receive a proportion consistent with the equivalent planning fee.
7	32 responded (84%)						<p>Businesses and developers (including electricity generation companies, electricity networks companies, professional firms and consultants) and their membership organisations advised there would be a negative impact on business, jobs and the wider economy, reducing the pipeline of projects under development or deployment, restricting progress to the Scottish Government's energy and climate change targets; limiting scope for community benefit and community ownership; and adding pressure on consumers' bills.</p> <p>Planning authorities and other public sector bodies commented the business and regulatory impact assessment should consider impacts on planning authorities, suggesting that payment of greater remuneration to Local Planning Authorities would allow investment in staff and resources and the building of capacity to deal more effectively and efficiently with such applications.</p> <p>The political organisation added that the proposals discriminate against the local authorities that do much of the work, which would amount to a tax on local authorities by central government.</p>			
8	23 responded (61%)						<p>Points were made regarding potential service improvements developers would like to see; issues on which clarification was requested; the alignment of the proposals under consideration in this consultation with other planning related work by Scottish Government such as the Planning (Scotland) Bill; reviews of the National Planning Framework and Scottish Planning Policy; and, index-linking of fees.</p>			

1. Introduction

- 1.1 This report presents an overview of findings from an analysis of responses to the Scottish Government's consultation on proposals to revise fees required by the Electricity (Applications for Consent) Regulations 1990 on applications made under sections 36, 36C and 37 of the Electricity Act 1989. The consultation opened on 19 February 2018. The Scottish Government hosted a workshop event for developers on 25 April 2018 to encourage participation in the consultation. Details of the organisations which attended are listed at Appendix 2. Supplementary information was published by the Scottish Government in response to requests on 4 May 2018, whereupon it was also announced that the consultation would close on 28 May 2018, giving consultees an extra two weeks over the closing date initially advised.

The consultation process

- 1.2 The Scottish Government is proposing to increase the existing application fee tariffs to more accurately reflect the costs of processing each application. The Scottish Government consulted on proposals to revise fees required by the Electricity (Applications for Consent) Regulations 1990 on applications made under sections 36, 36C and 37 of the Electricity Act 1989.
- 1.3 The consultation document set out proposals for increases to the existing fees, the introduction of new fees for applications under section 36C of the Electricity Act 1989 and the phasing of payments of the application fee at the EIA Scoping stage. The consultation posed 8 questions, with a closed agree / disagree element and also inviting further comment, as follows:
- 1. Do you agree or disagree the application fees should be revised to maintain and improve our service levels?*
 - 2. Do you agree or disagree that we should continue to have a fixed fee structure as proposed?*
 - 3. Do you agree or disagree with the proposal that application fees should be phased in the manner proposed, to spread the risk associated with potentially abortive or unsuccessful application costs?*
 - 4. Do you agree or disagree the existing arrangement should continue where the same fee is required for overhead lines exceeding 15km in length whether or not there is EIA development? If you disagree please provide a proposed alternative and expand on this in your answer to question 6.*
 - 5. Do you agree or disagree with the introduction of a fee for processing applications for variations of consent, whether for EIA or non-EIA development? If you disagree please provide a proposed alternative and expand on this in your answer to question 6.*
 - 6. On balance, do you agree or disagree with the fee levels proposed? If you disagree, please specify which fee in Annex 1 you think should be reconsidered and provide a proposed alternative.*
 - 7. Do the proposals in this consultation have any financial, regulatory or resource implications for you and/or your business (if applicable)? If so please explain these.*
 - 8. Do you have any other comments?*

Overview of written submissions

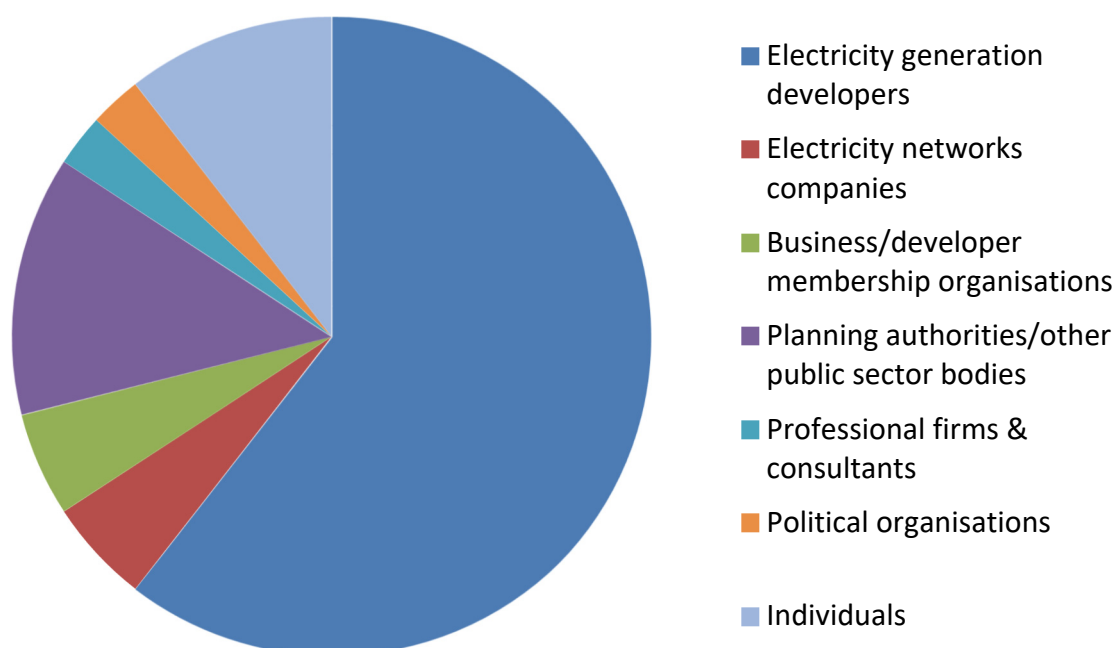
1.4 The final number of submissions received was 38, including 34 from group respondents and 4 from individuals who appeared to be members of the public with some knowledge of, and interest in, the energy consents process. 26 submissions were made via the consultation website and 12 submissions were made in writing, some of which did not adhere to the template of questions and answers used by the website – for example, not providing a clear response to the closed agree / disagree element but providing written comments neither wholly in clear agreement or disagreement, or raising other issues.

1.5 A profile of respondent types is provided in the following table.

Table 3. Overview of consultation respondents

Group Type	Number	Percentage
Businesses and developers, including:	25	66%
<i>Electricity generation developers</i>	23	61%
<i>Electricity networks companies</i>	2	5%
Business/developer membership organisations	2	5%
Planning authorities/other public sector bodies	5	13%
Professional firms & consultants	1	3%
Political organisations	1	3%
Group respondents (total)	34	89%
Individuals	4	11%
Total	38	

Figure 1. Breakdown of Consultation Respondents



- 1.6 Respondents were grouped into seven broad respondent types based on their role – six types for group respondents, and one for individuals. The main points to note about the composition of the groups are:
- **Electricity generation developers** – 23 respondents representing a diverse range of organisation sizes and types from independent developers to companies owned by some of the “big six”.
 - **Electricity networks companies** – 2 respondents comprised of the owners of the licensed electricity transmission and distribution network owners in Scotland.
 - **Business / developer membership organisations** – 2 respondents comprised of Scottish Renewables and Energy UK.
 - **Planning authorities / other public sector bodies** – 5 respondents representing a number of local planning authorities in Scotland and Heads of Planning Scotland, the representative organisation for senior planning officers from Scotland's local authorities, national park authorities and strategic development planning authorities.
 - **Professional firms and consultants** – 1 response from JLL, a professional services firm specialising in real estate services and investment management.
 - **Political organisations** – 1 response from the Conservative group on Scottish Borders Council.

Table 4. Summary of views of respondents

Q	Agree		Disagree		Unclear / no answer		Respondent types with most widespread agreement	Key comments from respondents who agree	Respondent types with most widespread disagreement	Key comments from respondents who disagree
	No.	%	No.	%	No.	%				
1	22	58	11	29	5	13	Planning authorities / other public bodies, professional firms, political organisations, and individuals	The principle of cost recovery and maintaining and improving the service is supported in principle. Fees levels should be adjusted up or down. The Scottish Government should provide greater detail on improvements to be made to the service. Greater remuneration should be given to planning authorities.	Electricity networks companies	Fee levels too high. Lack of detail on Scottish Government resource costs to understand how the proposed fee levels were arrived at. The Scottish Government should provide greater detail on improvements to be made to the service. Greater remuneration should be given to planning authorities.
2	23	61	10	26	5	13	Planning authorities / other public bodies, professional firms, political organisations, and electricity generation companies	A fixed scale on basis of generating capacity or length of line is easier to understand, provides certainty to developers and avoids red line boundaries being manipulated to reduce fees.	Individuals	There should be a sliding scale rather than discrete bands, that fees for variations. Scoping and screening payments are not justified at the levels proposed. There should be different fee levels to encourage larger, more efficient turbines with a lesser environmental footprint.

3	22	58	11	29	5	13	Electricity networks companies, business/developer membership organisations, planning authorities / other public sector bodies, political organisations, and individuals	Recognise benefits in phasing of the application fee. Question whether the proportion to be paid at screening or scoping stage is appropriate.	Professional firms and consultants	Developers would face more upfront financial exposure. Early engagement with stakeholders would be discouraged. Fee rebate arrangements should be introduced where applications are withdrawn and resubmitted.
4	11	29	9	24	18	47	Planning authorities / other public bodies, political organisations, and individuals	For EIA proposals over 15km, the resource required to provide a response would be unlikely to be less if it were not EIA development. A commensurate share of the fee should go to the local planning authority.	Electricity networks companies, business/developer membership organisations, and professional firms and consultants	The scale, nature and length of the overhead line together would provide a more appropriate basis for fee charging than whether or not a given line requires EIA.
5	22	58	7	18	9	24	Planning authorities / other public bodies, political organisations, professional firms and consultants, and individuals	Variation applications require resourcing from the consenting authority. The proposed fee levels are disproportionately high.	Electricity networks companies	The proposed fee levels are disproportionately high. Consideration should be given to two tiers of fees for simple (or non-material) variations and more complex variations.

6	27	71	5	13	6	16	Political organisations	The proposed fees are comparable with fees in England and Wales. The Scottish Government should aim for parity with fees charged elsewhere in the UK.	Electricity generation developers, electricity networks companies, business/developer membership organisations, and planning authorities / other public bodies	The proposed fees are disproportionately high. Justification of the proposed increases is weak or insufficient. There would be a negative impact on the renewables development industry and progress to targets. There would be added pressure on consumers' bills. The local planning authority should receive greater remuneration. The fees would not be high enough to cover the costs, particularly if planning authorities were to receive a proportion consistent with the equivalent planning fee.
7	32 responded (84%)						Businesses and developers (including electricity generation companies, electricity networks companies, professional firms and consultants) and their membership organisations advised there would be a negative impact on business, jobs and the wider economy, reducing the pipeline of projects under development or deployment, restricting progress to the Scottish Government's energy and climate change targets; limiting scope for community benefit and community ownership; and adding pressure on consumers' bills. Planning authorities and other public sector bodies commented the business and regulatory impact assessment should consider impacts on planning authorities, suggesting that payment of greater remuneration to Local Planning Authorities would allow investment in staff and resources and the building of capacity to deal more effectively and efficiently with such applications. The political organisation added that the proposals discriminate against the local authorities that do much of the work, which would amount to a tax on local authorities by central government.			
8	23 responded (61%)						Points were made regarding potential service improvements developers would like to see; issues on which clarification was requested; the alignment of the proposals under consideration in this consultation with other planning related work by Scottish Government such as the Planning (Scotland) Bill; reviews of the National Planning Framework and Scottish Planning Policy; and, index-linking of fees.			

Analysis approach

- 1.7 The Scottish Government carried out an internal analysis of the responses to the consultation.
- 1.8 The remainder of this report presents an analysis of all submissions. This includes the balance of views on the “closed” Yes/No question by respondent group, and a summary of key issues raised by written responses. Our analysis has sought to identify key motivations for Yes/No responses, views on specific elements of proposals for increased in planning fees, and any modification or alternatives suggested by respondents. The report also highlights where views or suggestions are specific to one or more respondent types.
- 1.9 Where respondents responded via the website, their response to the consultation closed question elements (whether affirmative, negative or not answered) is used in tables 5 to 12 and figures 2 to 9 below. Where respondents submitted written responses in formats of their choosing without clear separation of the closed question and written comments, the analysis has interpreted the written comments to establish whether the closed question element was met with agreement, disagreement, not answered or unclear.
- 1.10 It should be noted that the purpose of the report is to reflect the balance and range of views expressed through the consultation. It does not seek to provide any policy recommendations.

2. Respondents Views On Proposed Changes To Fees

- 2.1 This section provides a summary of respondents views on the proposed changes to energy consents fees. This includes views on the proposed changes to existing fees, the fixed fee structure, the phasing of payments, fees for overhead lines around the 15km threshold, the introduction of fees variations, the fee levels proposed, and the financial, regulatory or resource implications for businesses for issues raised by those in favour of or opposed to the proposals, comments and alternative suggestions for the proposed fee structure and its implementation, and views on improving performance in the energy consents process.

Question 1. Extent of agreement / disagreement on whether application fees should be revised to maintain and improve energy consents service levels

- 2.2 A total of 33 respondents answered the “closed” consultation question on whether application fees should be revised to maintain and improve energy consents service levels. 22 respondents agreed and 11 disagreed.
 - 12 electricity generation developers agreed and 9 disagreed.
 - 1 electricity networks company agreed and 1 disagreed.
 - All 5 Planning authorities / other public sector bodies agreed.
 - The professional firm agreed.

- The political organisation agreed.
- 2 individuals agreed and 1 disagreed.

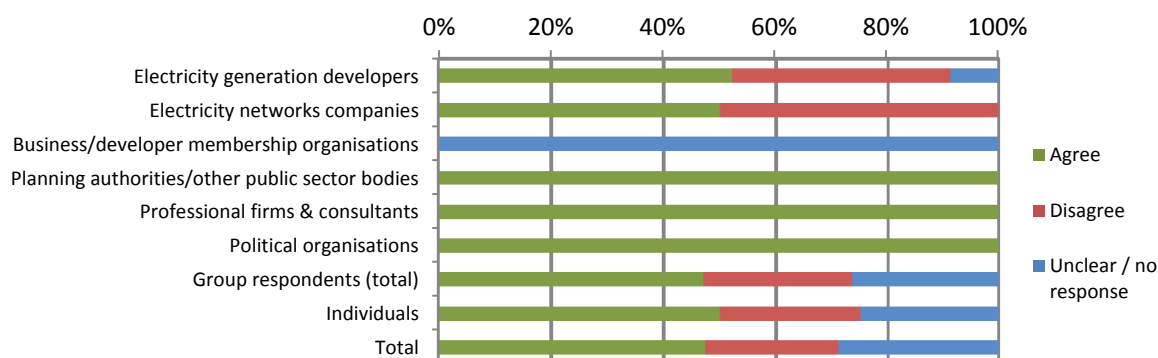
2.3 The respondent types showing most widespread **agreement with the proposal** in Q1 were planning authorities / other public bodies, professional firms, political organisations, and individuals.

2.4 The respondent types showing most widespread **disagreement with the proposal** in Q1 were electricity networks companies and business/developer membership organisations.

Table 5. Do you agree or disagree the application fees should be revised to maintain and improve our service levels?

Group Type	Agree	Disagree	Unclear / no response	Total
Businesses and developers, including:	13	10	2	25
<i>Electricity generation developers</i>	12	9	2	23
<i>Electricity networks companies</i>	1	1	0	2
Business/developer membership organisations	0	0	2	2
Planning authorities/other public sector bodies	5	0	0	5
Professional firms & consultants	1	0	0	1
Political organisations	1	0	0	1
Group respondents (total)	20	10	4	34
Individuals	2	1	1	4
Total	22	11	5	38

Figure 2. Do you agree or disagree the application fees should be revised to maintain and improve our service levels?



2.5 36 respondents (including 4 who did not answer the closed question) provided written comments as part of their consultation response. Respondents made a broad range of points relating to the proposed revision of application fees, including detail on perceived issues with the current system, and suggested amendments or alternatives to the proposals. Below is a summary of points raised by respondents, listed in descending order of number of respondents

raising each point. The number in brackets next to each indicates the number of respondents making the point in response to this question. It should be noted that some respondents repeated the same point across responses to more than one question.

- The proposed fees would be disproportionately high (17)
- There is a lack of detail of service improvements which would be delivered / more details would be helpful (15)
- Service improvements should be made to provide greater certainty around timely determination (11)
- Justification of the proposed increases is weak or insufficient (9)
- Planning authorities should receive greater remuneration (8)
- There would be a negative impact on the development pipeline / deployment / progress to targets (8)
- Service agreements or fixed timelines for determination should be introduced (6)
- More information on Energy Consents Unit/Marine Scotland Licensing and Operations Team resource requirements is needed (4)
- Implementation should be delayed / there should be a grace period (2)
- The proposed fees would be too low (1)
- The proposed scoping payments would be disproportionately high (1)
- The fee categories and bands should be reconsidered (1)
- Greater scoping out of non-significant effects would improve the service (1)
- The Energy Consents Unit/Marine Scotland Licensing and Operations Team should challenge consultees responses and proposed conditions more (1)
- Variation fees should be substantially lower than applications (1)
- There should be a second consultation on revised proposals (1)
- Further cost reduction should be explored by the Energy Consents Unit/Marine Scotland Licensing and Operations Team (1)
- These substantial increases would be contrary to the policy support in the Energy Strategy / Onshore Wind Policy Statement (1)
- Small scale grid connection costs could increase 2 or 3 times / consumers would face impacts (1)

Question 2: Extent of agreement / disagreement on whether the Scottish Government should continue to have a fixed fee structure as proposed

2.6 A total of 33 respondents answered the “closed” consultation question on whether the Scottish Government should continue to have a fixed fee structure as proposed. 23 respondents agreed and 10 disagreed.

- 13 electricity generation developers agreed and 7 disagreed.
- 1 electricity networks company agreed and 1 disagreed.
- 1 Business / developer membership organisation agreed.
- All 5 Planning authorities / other public sector bodies agreed.
- The professional firm agreed.
- The political organisation agreed.
- 1 individual agreed and 2 disagreed.

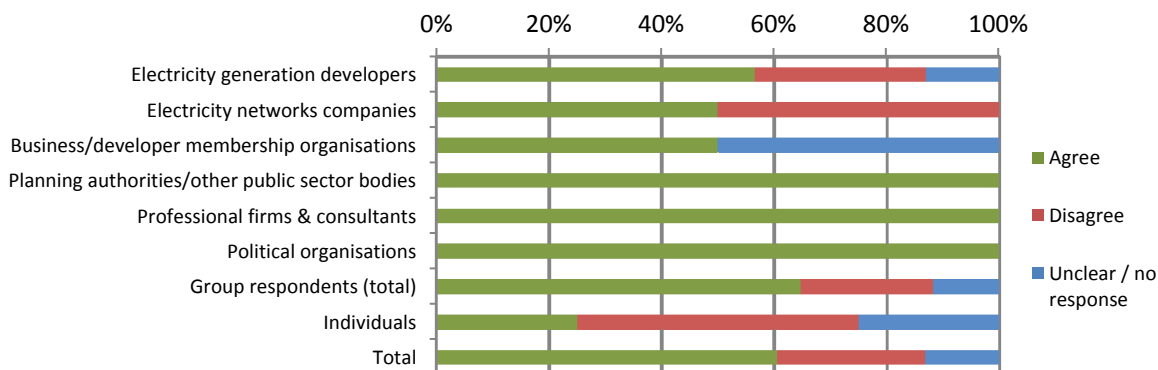
2.7 The respondent types showing most widespread **agreement with the proposal** in Q2 were planning authorities / other public bodies, professional firms, political organisations, and electricity generation companies.

2.8 The respondent type showing most widespread **disagreement with the proposal** in Q2 was individuals.

Table 6. Do you agree or disagree that we should continue to have a fixed fee structure as proposed?

Group Type	Agree	Disagree	Unclear / no response	Total
Businesses and developers, including:	14	8	3	25
<i>Electricity generation developers</i>	13	7	3	23
<i>Electricity networks companies</i>	1	1	0	2
Business/developer membership organisations	1	0	1	2
Planning authorities/other public sector bodies	5	0	0	5
Professional firms & consultants	1	0	0	1
Political organisations	1	0	0	1
Group respondents (total)	22	8	4	34
Individuals	1	2	1	4
Total	23	10	5	38

Figure 3. Do you agree or disagree that we should continue to have a fixed fee structure as proposed?



2.9 Below is a summary of points raised by respondents, listed in descending order of number of respondents raising each point. The number in brackets next to each indicates the number of respondents making the point in response to this question. It should be noted that some respondents repeated the same point across responses to more than one question.

- The fee categories and bands should be reconsidered (11)
- The proposed fees would be disproportionately high (4)
- Service agreements or fixed timelines for determination should be introduced (4)

- Justification of the proposed increases is weak or insufficient (3)
- The proposed scoping payments would be disproportionately high (2)
- Greater scoping out of non-significant effects would improve the service (2)
- Variation fees should be substantially lower than applications (2)
- There is a lack of detail of service improvements which would be delivered / more details would be helpful (1)
- Service improvements should be made to provide greater certainty around timely determination (1)
- An optional additional fee to 'fast track' projects should be considered (1)
- There should be two or more tiers of variation fee (1)
- There should be a second consultation on revised proposals (1)
- More information on Energy Consents Unit/Marine Scotland Licensing and Operations Team resource requirements is needed (1)
- These substantial increases would be contrary to the policy support in the Energy Strategy / Onshore Wind Policy Statement (1)

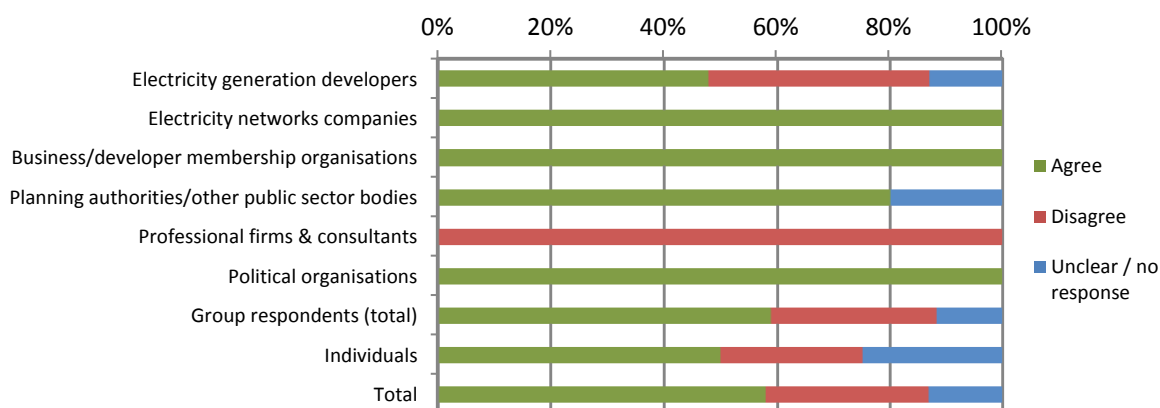
Question 3: Extent of agreement / disagreement on whether application fees should be phased in the manner proposed, to spread the risk associated with potentially abortive or unsuccessful application costs

- 2.10 A total of 33 respondents answered the "closed" consultation question on whether application fees should be phased in the manner proposed, to spread the risk associated with potentially abortive or unsuccessful application costs. 22 respondents agreed and 11 disagreed.
- 11 electricity generation developers agreed and 9 disagreed.
 - The 2 electricity networks companies both agreed.
 - The 2 business / developer membership organisations both agreed.
 - 4 Planning authorities / other public sector bodies agreed.
 - The professional firm disagreed.
 - The political organisation agreed.
 - 2 individuals agreed and 1 disagreed.
- 2.11 The respondent types showing most widespread **agreement with the proposal** in Q3 were electricity networks companies, business/developer membership organisations, planning authorities / other public sector bodies, political organisations and individuals.
- 2.12 The respondent types showing most widespread **disagreement with the proposal** in Q3 were professional firms and consultants.

Table 7. Do you agree or disagree with the proposal that application fees should be phased in the manner proposed, to spread the risk associated with potentially abortive or unsuccessful application costs?

Group Type	Agree	Disagree	Unclear / no response	Total
Businesses and developers, including:	13	9	3	25
<i>Electricity generation developers</i>	11	9	3	23
<i>Electricity networks companies</i>	2	0	0	2
Business/developer membership organisations	2	0	0	2
Planning authorities/other public sector bodies	4	0	1	5
Professional firms & consultants	0	1	0	1
Political organisations	1	0	0	1
Group respondents (total)	20	10	4	34
Individuals	2	1	1	4
Total	22	11	5	38

Figure 4. Do you agree or disagree with the proposal that application fees should be phased in the manner proposed, to spread the risk associated with potentially abortive or unsuccessful application costs?



2.13 Below is a summary of points raised by respondents, listed in descending order of number of respondents raising each point. The number in brackets next to each indicates the number of respondents making the point in response to this question. It should be noted that some respondents repeated the same point across responses to more than one question.

- The proposed scoping payments would be disproportionately high (16)
- Should consider further phasing of payments (8)
- The proposed fees would be disproportionately high (4)
- Service agreements or fixed timelines for determination should be introduced (4)
- There is a lack of detail of service improvements which would be delivered / more details would be helpful (3)
- Planning authorities should receive greater remuneration (3)
- The fee categories and bands should be reconsidered (2)

- Service improvements should be made to provide greater certainty around timely determination (2)
- Greater scoping out of non-significant effects would improve the service (2)
- There would be a negative impact on the development pipeline / deployment / progress to targets (1)

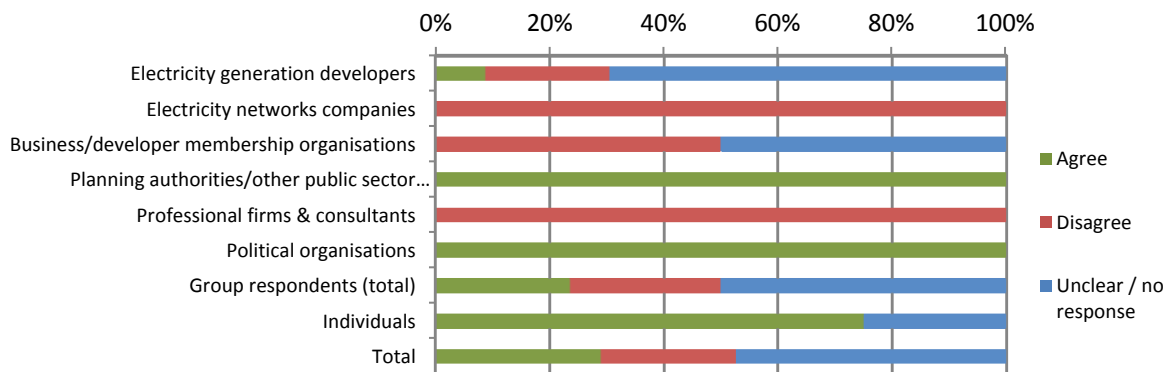
Question 4: Extent of agreement / disagreement on whether the existing arrangement should continue where the same fee is required for overhead lines exceeding 15km in length whether or not there is EIA development

- 2.14 A total of 20 respondents answered the “closed” consultation question on whether the existing arrangement should continue where the same fee is required for overhead lines exceeding 15km in length whether or not there is EIA development. 11 respondents agreed and 9 disagreed.
- 7 electricity generation developers disagreed and 2 agreed.
 - The 2 electricity networks companies both disagreed.
 - 1 Business / developer membership organisation disagreed.
 - All 5 planning authorities / other public sector bodies agreed.
 - The professional firm disagreed.
 - The political organisation agreed.
 - 3 individuals agreed.
- 2.15 The respondent types showing most widespread **agreement with the proposal** in Q4 were planning authorities / other public bodies, political organisations, and individuals.
- 2.16 The respondent types showing most widespread **disagreement with the proposal** in Q4 were electricity networks companies, business/developer membership organisations, and professional firms and consultants.

Table 8. Do you agree or disagree the existing arrangement should continue where the same fee is required for overhead lines exceeding 15km in length whether or not there is EIA development?

Group Type	Agree	Disagree	Unclear / no response	Total
Businesses and developers, including:	2	7	16	25
<i>Electricity generation developers</i>	2	5	16	23
<i>Electricity networks companies</i>	0	2	0	2
Business/developer membership organisations	0	1	1	2
Planning authorities/other public sector bodies	5	0	0	5
Professional firms & consultants	0	1	0	1
Political organisations	1	0	0	1
Group respondents (total)	8	9	17	34
Individuals	3	0	1	4
Total	11	9	18	38

Figure 5. Do you agree or disagree the existing arrangement should continue where the same fee is required for overhead lines exceeding 15km in length whether or not there is EIA development?



2.17 Below is a summary of points raised by respondents, listed in descending order of number of respondents raising each point. The number in brackets next to each indicates the number of respondents making the point in response to this question. It should be noted that some respondents repeated the same point across responses to more than one question.

- The fee categories and bands should be reconsidered (7)
- Planning authorities should receive greater remuneration (4)
- The proposed fees would be disproportionately high (1)
- There is a lack of detail of service improvements which would be delivered / more details would be helpful (1)
- Service improvements should be made to provide greater certainty around timely determination (1)
- Service agreements or fixed timelines for determination should be introduced (1)
- Justification of the proposed increases is weak or insufficient (1)

Question 5: Extent of agreement / disagreement on the introduction of a fee for processing applications for variations of consent, whether for EIA or non-EIA development

2.18 A total of 29 respondents answered the “closed” consultation question on the introduction of a fee for processing applications for variations of consent, whether for EIA or non-EIA development. 22 respondents agreed and 7 disagreed.

- 12 electricity generation developers agreed and 6 disagreed.
- 1 electricity networks company disagreed.
- 1 Business / developer membership organisation agreed.
- 4 Planning authorities / other public sector bodies agreed.
- The professional firm agreed.
- The political organisation agreed.
- 3 individuals agreed.

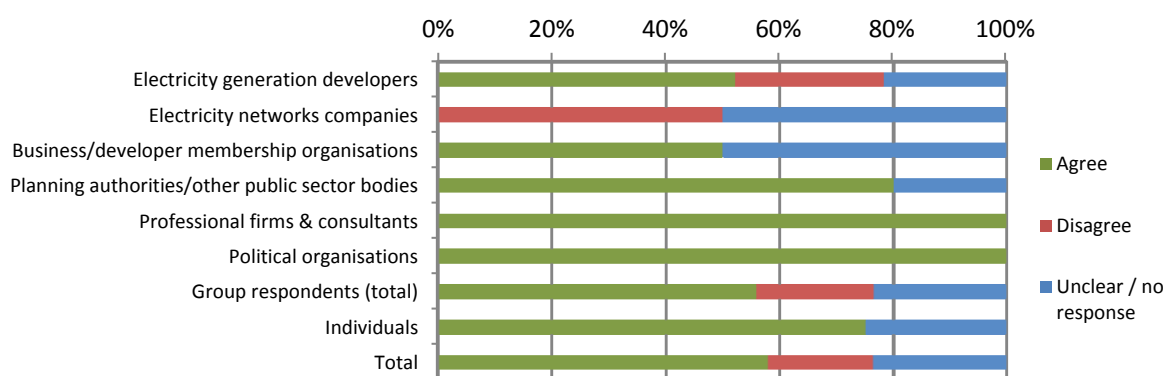
2.19 The respondent types showing most widespread **agreement with the proposal** in Q5 were planning authorities / other public bodies, political organisations, professional firms and consultants, and individuals.

2.20 The respondent type showing most widespread **disagreement with the proposal** in Q5 was electricity networks companies.

Table 9. Do you agree or disagree with the introduction of a fee for processing applications for variations of consent, whether for EIA or non-EIA development?

Group Type	Agree	Disagree	Unclear / no response	Total
Businesses and developers, including:	12	7	6	25
<i>Electricity generation developers</i>	12	6	5	23
<i>Electricity networks companies</i>	0	1	1	2
Business/developer membership organisations	1	0	1	2
Planning authorities/other public sector bodies	4	0	1	5
Professional firms & consultants	1	0	0	1
Political organisations	1	0	0	1
Group respondents (total)	19	7	8	34
Individuals	3	0	1	4
Total	22	7	9	38

Figure 6. Do you agree or disagree with the introduction of a fee for processing applications for variations of consent, whether for EIA or non-EIA development?



2.21 Below is a summary of points raised by respondents, listed in descending order of number of respondents raising each point. The number in brackets next to each indicates the number of respondents making the point in response to this question. It should be noted that some respondents repeated the same point across responses to more than one question.

- Variation fees should be substantially lower than applications (20)
- There should be two or more tiers of variation fee (7)
- Planning authorities should receive greater remuneration (4)

- The proposed fees would be disproportionately high (1)
- The fee categories and bands should be reconsidered (1)

Question 6: Extent of agreement / disagreement with the fee levels proposed

2.22 A total of 32 respondents answered the “closed” consultation question on the fee levels proposed. 27 respondents disagreed and 5 agreed.

- 20 electricity generation developers disagreed.
- The 2 electricity networks companies both disagreed.
- 1 Business / developer membership organisation disagreed.
- 3 Planning authorities / other public sector bodies disagreed and 2 agreed.
- The professional firm did not clearly agree or disagree.
- The political organisation agreed.
- 2 individuals agreed and 1 disagreed.

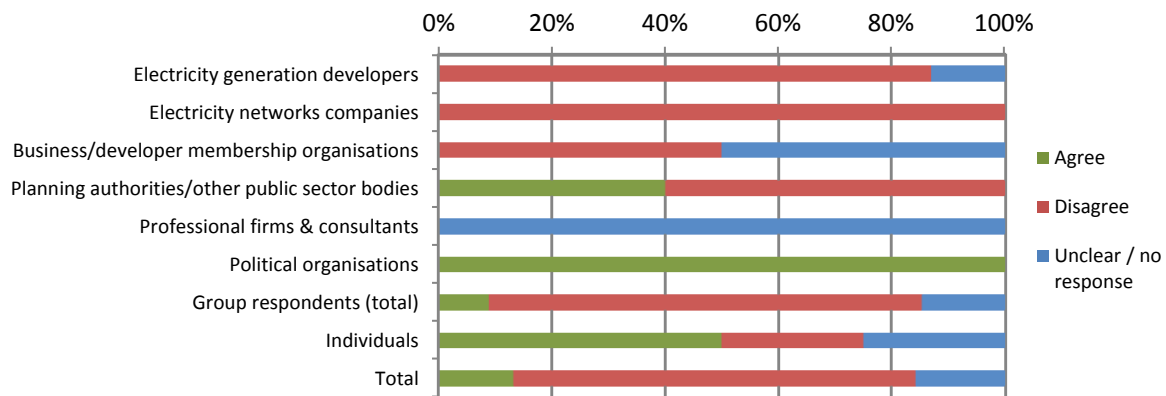
2.23 The respondent types showing most widespread **disagreement with the proposal** in Q6 were electricity generation developers, electricity networks companies, business / developer membership organisations, and planning authorities / other public bodies.

2.24 The respondent type showing most widespread **agreement with the proposal** in Q6 was political organisations.

Table 10. On balance, do you agree or disagree with the fee levels proposed?

Group Type	Agree	Disagree	Unclear / no response	Total
Businesses and developers, including:	0	22	3	25
<i>Electricity generation developers</i>	0	20	3	23
<i>Electricity networks companies</i>	0	2	0	2
Business/developer membership organisations	0	1	1	2
Planning authorities/other public sector bodies	2	3	0	5
Professional firms & consultants	0	0	1	1
Political organisations	1	0	0	1
Group respondents (total)	3	26	5	34
Individuals	2	1	1	4
Total	5	27	6	38

Figure 7. On balance, do you agree or disagree with the fee levels proposed?



2.25 Below is a summary of points raised by respondents, listed in descending order of number of respondents raising each point. The number in brackets next to each indicates the number of respondents making the point in response to this question. It should be noted that some respondents repeated the same point across responses to more than one question.

- The proposed fees would be disproportionately high (22)
- Justification of the proposed increases is weak or insufficient (15)
- There would be a negative impact on the development pipeline / deployment / progress to targets (10)
- More information on Energy Consents Unit/Marine Scotland Licensing and Operations Team resource requirements is needed (8)
- The fee categories and bands should be reconsidered (6)
- The proposed fees would be too low (4)
- Planning authorities should receive greater remuneration (4)
- The proposed scoping payments would be disproportionately high (3)
- There is a lack of detail of service improvements which would be delivered / more details would be helpful (2)
- Variation fees should be substantially lower than applications (2)
- These substantial increases would be contrary to the policy support in the Energy Strategy / Onshore Wind Policy Statement (2)
- Implementation should be delayed / there should be a grace period (2)
- Should consider further phasing of payments (1)
- Service improvements should be made to provide greater certainty around timely determination (1)
- Small scale grid connection costs could increase 2 or 3 times / consumers would face impacts (1)
- There would be negative impacts on community benefit and / or community ownership (1)
- the Scottish Government should come forward with proposals to significantly reduce Marine Licence fees for Section 36 projects which are classed as EIA development (1)

Question 7: Extent of any financial, regulatory or resource implications for businesses

2.26 A total of 32 respondents addressed this question in their response.

Electricity generation developers

2.27 A theme common to the 23 responses from electricity generation developers was that, in general terms, there would be a substantial increase in application costs which could have a negative impact on the pipeline of projects under development, deployment, and / or progress to the Scottish Government's targets.

2.28 While most (18) of the responses the potential impacts on their business in qualitative terms, 5 of the 23 electricity generation developers provided some analysis within which they quantified the possible impacts on their business. One developer commented the proposals would result in an approximately 50 percent increase in onshore wind farm development costs. A second developer estimated the proposals would increase the levelised cost of onshore wind energy by 4 to 8 pence per megawatt hour, in the context of the approximate figure of £45 per megawatt hour for all aspects of development, construction, operation, and decommissioning which developers would need to meet, as a minimum, for projects to breakeven. A third developer commented that the proposed increased application fee would make up approximately between 20 percent and 25 percent of the total development costs of a project, and bring down the number of projects it could work on by 20 percent. A fourth developer comment the proposed fees would effectively double the cost of producing an EIA for a project. A fifth developer commented the proposed increases would increase the development costs of one of its large projects by 25 percent.

Electricity networks companies

2.29 Both the electricity networks companies commented that the partial BRIA should also consider the substantial impact the proposals would have on bill payers and connection customers, highlighting that new connections for sole use customers (such as individual households in rural areas, agricultural businesses, small to medium manufacturing businesses or house builders) would be particularly affected by the significant increases proposed.

2.30 One company also explained that projects which have shared infrastructure required by multiple developers would also be affected, with the result that fee increases would, in effect, be borne by the electricity consumer. The company also referred to the 119 requests for new or re-built distribution lines it received in 2017, and compared existing and proposed fees, noting the factor by which the proposed fee levels increased over the existing levels.

Business/developer membership organisations

- 2.31 One of the business/developer membership organisations commented that the proposed scale of increase in fees for consents may prevent some developers taking projects to completion. It said it is also concerned that the scale of the fees for the distribution and transmission networks will impact on generators as network operators pass the costs onto their customers and in turn to consumers.

Planning authorities/other public sector bodies

- 2.32 3 of the 5 planning authorities/other public sector bodies respondents commented that the BRIA does not adequately cover the impacts on Local Planning Authorities and is focussed too narrowly on the impacts on applicants/developers, highlighting that payment of a fair portion of the increased fees to Local Planning Authorities would allow investment in staff and resources and the building of capacity to deal more effectively and efficiently with such applications.
- 2.33 One of the planning authorities suggested carrying out a review of costs associated with work by planning authorities in respect of screening scoping and fee rates for work associated with section 36 and 37 application proposals, adding that allocation of funds from the Local Authority Settlement to cover such costs would be contrary to the objective of full cost recovery for all public services.

Professional firms and consultants

- 2.34 The respondent in the professional firms and consultants category gave the opinion that the proposals were likely to affect the future of the renewables industry by making it more likely that parts of the industry will elect to progress developments under the Town and Country Planning Acts at a reduced capacity from the projects potential capacity, and benefit from a more certain consenting regime (considering statutory timescales and the right of appeal) that would have lower application costs. The respondent stated that projects would produce a reduced renewables capacity as a consequence and in turn this could affect the number of jobs supported by the industry, as well as placing more resource pressure on the Scottish Government department for Planning and Environmental Appeals.

Political organisations

- 2.35 The respondent in this category commented that the proposals discriminate against the local authorities that do much of the work, adding that this amounts to a tax on local authorities by central government.

Individuals

- 2.36 One of the individuals (based in one the planning authorities) commented the staged fee would result in a greater number of S36 applications which in turn

will increase the burden on local planning authorities who do not receive any fee to assess and respond to the consultation response.

2.37 The remaining individuals did not supply any comments in answer to question 7.

Summary of points raised in the responses to question 7

- There would be a negative impact on the development pipeline / deployment / progress to targets (17)
- The planning authority should receive greater remuneration (6)
- The Partial Business and Regulatory Impact Assessment within the consultation is insufficient (5)
- Impacts would also be faced by consumers and grid connection customers (3)
- Fee increases are contrary to the policy support set out in the Energy Strategy / Onshore Wind Policy Statement (2)
- Cost reduction in the consents process should be explored by the Scottish Government (2)
- There would be negative impacts on community benefit and / or community ownership (1)

3. Other Issues Raised By Respondents

3.1 Other points raised by respondents, either in the 23 responses to question 8, which asked “do you have any other comments”, or elsewhere in their responses beyond the scope of the foregoing questions, include the following. They are listed in descending order of number of respondents raising each point. The number in brackets next to each indicates the number of respondents making the point. It should be noted that some respondents repeated the same point across responses to more than one question.

- There would be a negative impact on the development pipeline / deployment / progress to targets (7)
- Implementation should be delayed / there should be a grace period (6)
- The proposed fees would be disproportionately high (5)
- Planning authorities should receive greater remuneration (4)
- There should be a second consultation on revised proposals (4)
- More information on Energy Consents Unit/Marine Scotland Licensing and Operations Team resource requirements is needed (4)
- These substantial increases would be contrary to the policy support in the Energy Strategy / Onshore Wind Policy Statement (3)
- The Partial Business and Regulatory Impact Assessment within the consultation is insufficient (3)
- The proposed scoping payments would be disproportionately high (2)
- There is a lack of detail of service improvements which would be delivered / more details would be helpful (2)

- Service improvements should be made to provide greater certainty around timely determination (2)
- Greater scoping out of non-significant effects would improve the service (2)
- Justification of the proposed increases is weak or insufficient (2)
- Consultation is being carried out in isolation of other planning related work by Scottish Government - Planning (Scotland) Bill, reviews of NPF and SPP (2)
- Small scale grid connection costs could increase 2 or 3 times / consumers would face impacts (2)
- There would be negative impacts on community benefit and / or community ownership (1)
- Further phasing of payments should be considered (1)
- The fee categories and bands should be reconsidered (1)
- Service agreements or fixed timelines for determination should be introduced (1)
- There should be a review of resourcing for energy consents services in planning authorities (1)
- Variation fees should be substantially lower than applications (1)
- There should be two or more tiers of variation fee (1)
- Further cost reduction should be explored by the Energy Consents Unit/Marine Scotland Licensing and Operations Team (1)
- There should be a consultee to advise on social and economic impact (1)
- The Scottish Government should indicate whether further fees will be introduced relating to advice provided to the Energy Consents Unit/Marine Scotland Licensing and Operations Team by government internal functions such as SNH and SEPA (1)
- The Scottish Government should clarify if it has the intention of imposing fees for obtaining additional licences such as the license to disturb European Protected Species (1)
- When the Scottish Government is undertaking consultation on measures that affect its own finances it should carry out a genuine consultation exercise and it should be open minded about making changes (1)
- The Scottish Government should become more proactively involved in negotiation of radar mitigation (1)
- The Scottish Government should help to organise a landbank available for developers, to ensure that removed forestry is replanted in better suited locations (1)
- The fee regime should be index-linked to the RPI going forward (1)
- The proposed fee increases will have the greatest effect on small businesses, and may discourage or prevent potential start-ups or projects from coming forward (1)

5. Appendix 1: Consultation Respondents

Organisation or Individual	Organisation group	Name of organisation or individual
Organisation	Electricity generation developers	ABO Wind UK Ltd
Organisation	Electricity generation developers	Ansa Energy
Organisation	Electricity generation developers	Banks Renewables
Organisation	Electricity generation developers	Burcote Wind
Organisation	Electricity generation developers	Community Windpower
Organisation	Electricity generation developers	Coriolis Energy Limited
Organisation	Electricity generation developers	DP Energy
Organisation	Electricity generation developers	EDF Energy
Organisation	Electricity generation developers	ERG
Organisation	Electricity generation developers	ESB
Organisation	Electricity generation developers	Force 9 Energy Partners LLP
Organisation	Electricity generation developers	Forsa Energy
Organisation	Electricity generation developers	GreenPower (International) Ltd
Organisation	Electricity generation developers	Infinergy
Organisation	Electricity generation developers	Innogy Renewables UK Ltd
Organisation	Electricity generation developers	Muirden Energy LLP
Organisation	Electricity generation developers	Muirhall Energy Limited
Organisation	Electricity generation developers	Natural Power
Organisation	Electricity generation developers	RES Ltd
Organisation	Electricity generation developers	Scottish Power Limited
Organisation	Electricity generation developers	SIMEC (GFG Alliance)
Organisation	Electricity generation developers	SSE Generation
Organisation	Electricity generation developers	Vattenfall Wind Power Ltd
Organisation	Electricity networks companies	SP Energy Networks
Organisation	Electricity networks companies	Scottish and Southern Electricity Networks (SSEN)
Organisation	Business/developer membership organisations	Energy UK
Organisation	Business/developer membership organisations	Scottish Renewables
Organisation	Planning authorities/other public sector bodies	Argyll and Bute Council
Organisation	Planning authorities/other public sector bodies	Dumfries and Galloway Council
Organisation	Planning authorities/other public sector bodies	Heads of Planning Scotland
Organisation	Planning authorities/other public sector bodies	Scottish Borders Council
Organisation	Planning authorities/other public sector bodies	The Highland Council
Organisation	Professional firms & consultants	JLL
Organisation	Political organisations	Conservative group on Scottish Borders Council
Individual		Kevin Treadwell

Individual		(withheld)
Individual		Iain Loudon
Individual		(withheld)

6. Appendix 2: Workshop Attendees

Name of organisation
ABO Wind UK Ltd
ANSA Energy
Arcus Consulting Services
Banks Renewables
Community Windpower
EDF Energy
EnergieKontor UK Ltd
ERG UK Holdings Ltd
Force 9 Energy
Invenergy /North British Windpower
Invicta Public Affairs
JLL
Land Use Consultants
Muirden Energy LLP
Natural Power
RES Ltd
Scottish Power
Scottish Renewables
SSE
Wood plc
Wright, Johnston & Mackenzie



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