



Scottish Power Energy Networks  
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## Scottish Power Energy Networks – Incentive on Engagement (ICE) Ofgem Submission

Dear Colleague,

Homes for Scotland (HFS) is the voice of the home building industry in Scotland. With a membership of some 200 organisations together providing 95% of new homes built for sale in Scotland each year as well as a significant proportion of affordable housing, we are committed to improving the quality of living in Scotland by providing this and future generations with warm sustainable homes in places people want to live.

HFS represents members on a wide range of issues affecting their ability to deliver much needed homes. Our views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from our member companies.

We welcome the opportunity to provide feedback to you on the Scottish Power Energy Networks (SPEN) Incentive on Connections Engagement (ICE) Ofgem Submission, and this letter comprises our general feedback regarding SPEN's engagement with the home building sector in Scotland, as well as more specific comments on the work plan where applicable.

The delivery of new homes is a focus for the Scottish Government, illustrated by their commitment to delivering 50,000 affordable homes by the end of this parliamentary session. This commitment omits the ambition to increase the delivery of much needed homes of other tenures (private and build to rent) which will go some way to easing the widely noted housing crisis.

However, at a time where there is an aspiration and drive to increase the supply of new homes to meet growing need, our members have noted concerns surrounding the levels of engagement and support provided by distribution network operators as a crucial stakeholder in the development process. In that context, HFS believes it is vital that SPEN, and other network operators, work more strategically and collaboratively with the sector in support of the delivery of new homes across Scotland.

National policy in Scotland is driving forward improvements in energy-efficiency and use of low and zero carbon energy generating technologies within new residential development. Sequential improvements to building standards means that new homes built to today's standards represents a 75% reduction in carbon emissions from 1990

baseline levels and estimate energy use of these homes is around a third of the national average.

The emergence of national policy and guidance as well as local planning policies, promoting greater use of low and zero carbon energy generating technologies, will result in use of onsite renewables becoming more prevalent in new residential development. In that context, as residential developments become less demanding of network capacity they will, in addition, gradually become net contributors to the energy network.

Whilst mainstream use of low and zero carbon energy generating technologies such as photovoltaics and air-source heat pumps remains in its relative infancy, we are aware that members seeking to proactively adopt such solutions are finding it difficult to engage with SPEN, and other network operators, to fully embed these solutions on new developments. A frustration frequently noted by our members surrounds the lack of adequate guidance and information that is reflective of operational loads of forthcoming domestic energy solutions such as hybrid air-source heat pump systems. Subsequently, this has led to a wide range of different design assumptions, and probability that load capacities are being over-estimated leading to unnecessary upgrading of site infrastructure. Furthermore, we are aware that due to network capacity constraints, developers have experienced difficulties connecting the excess electricity generated from renewables such as photovoltaics back to the grid. This has led to a range of concerns, and is believed to go against national policy objectives to decarbonise the electrical energy network.

Whilst we welcome the range of actions identified within the new work plan aimed at improving engagement with customers, we are keen to see SPEN do more to work closely with the home building industry to support the delivery of low carbon energy solutions on site as well as remove barriers to new development. As well as improving legal process and documentation there is a growing need for network operators to fully engage, collaborate and communicate with the development community more strategically, develop adequate guidance and information, and support the sector in meeting overarching energy-efficiency and carbon reduction targets as set through the Climate Change Plan.

HFS and its members would be more than happy to constructively engage with SPEN further on this and would welcome a representative from SPEN to regularly attend our Utilities subgroup of the Technical Group. Should you wish to explore any of the concerns in more detail or have any questions, please get in touch with me or my colleague Tammy Swift-Adams (Director of Planning)

Yours sincerely,



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