STAGE 2 HEARING STATEMENT – MATTER 10 – CLIMATE CHANGE

OXFORD LOCAL PLAN 2045 EXAMINATION

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1.0 INTRODUCTION

1.1 This hearing statement is submitted by David Lock Associates on behalf of BMW.

1.2 BMW is a leading premium manufacturer of automobiles and motorcycles with more than 30 production and assembly facilities worldwide and a global sales network in more than 140 countries. The BMW MINI Plant Oxford is the main assembly facility for the MINI range of cars, currently producing the MINI 3-door and 5-door Hatch, the MINI Cabrio and the MINI John Cooper Works. The plant is pivotal to BMW's manufacturing activity and network in the UK and remains an important contributor to the local Oxford and wider UK economy.

1.3 This hearing statement focuses on Issue 1 of Matter 10 and responds to Question 2 only.

2.0 ISSUE 1 – NET ZERO BUILDINGS, EMBODIED CARBON AND RETRO-FITTING – POLICIES R1, R2 AND R3

Q2 What evidence is there to demonstrate that the requirements of Policy R1 can be achieved for the development types supported by the Plan, including high-energy uses such as commercial and economic development?

2.1 Policy R1 relies substantially upon the Council's Net Zero Carbon Technical Feasibility Literature Review. This recognises that certain non-residential developments may struggle to meet all their energy demands through on-site electricity generation (paragraph 5.7) and that the diversity of non-residential development means that policy needs to be clear about how proposals should be treated where particular targets cannot feasibly be achieved (paragraph 6.3). The review specifically identifies energy-intensive uses as potentially unable to limit total energy demand or meet that demand through on-site renewables, and concludes that additional policy flexibility may be required.

2.2 In the context when targets cannot be achieved, Policy R1 sets out what proposals need to consider. This is set out in criterion e) which provides a sequential approach to meeting energy needs and includes the following steps:

1) All energy needs (matching the development's total EUI figure) will be met through onsite renewable energy generating technologies in the first instance, accompanied by energy storage where possible.

2) Where the total energy need cannot be met through onsite renewables, applicants should seek to maximise available capacity onsite.

3) Meet the remaining energy balance through installation of sufficient additional renewable generation at a location offsite.

4) As a last resort … offsetting may be accepted to mitigate any remaining energy demand that cannot be sourced renewably either onsite or through an identified offsite location.

2.3 The MINI Plant Oxford may need to deliver significant infrastructure and manufacturing projects during the plan period to support the transition to electric vehicle manufacture, this could include additional manufacturing processes not required for internal combustion engine manufacture, for example battery assembly, as well as major upgrades or replacement of existing facilities.

2.4 With this in mind, below we apply criterion e) in the context of a significant production facility consuming in excess of 150,000MWh electrical energy per year at MINI Plant Oxford to demonstrate the difficulty in achieving the R1 policy.

Meeting all energy needs with renewable energy on site and accompanied by energy storage where possible

2.5 For a development of a significant production facility with Energy Use Intensity (EUI) of 1700kWh/m2, it is not technically or spatially feasible to generate sufficient renewable energy on-site to meet the development's total EUI.

2.6 UK solar developers commonly use approximately 4–5 acres per GWh per year for a ground-mounted solar farm, including spacing between rows and supporting infrastructure, meaning that the land needed to generate the required annual energy would be between 600 acres and 750 acres.

2.7 Therefore the land area required to provide equivalent generation through solar photovoltaic or wind installations will be substantially greater than the land available within BMW MINI Plant which is a constrained industrial site.

2.8 With regard to energy storage being accompanied 'where possible', this does not establish how possibility will be assessed. Energy storage may be technically available, but that does not necessarily mean it is technically suitable, operationally appropriate or proportionate for a particular development. For an industrial facility with substantial and variable energy demand, the feasibility of storage will depend on factors including:

- the scale and profile of the development's energy demand;
- the type of energy requiring storage;
- the duration and capacity of storage needed;
- the mismatch between renewable generation and operational demand;
- seasonal and daily variation in renewable output;
- site availability and electrical infrastructure;
- operational and fire-safety constraints; and
- whole-life cost and carbon impacts.

2.9 The present wording could therefore lead to uncertainty over whether a storage solution must be provided simply because the technology exists, even where the scale of infrastructure required would be technically unsuitable or disproportionate to the development. To improve clarity and effectiveness, BMW suggests that the policy or supporting text should establish an objective assessment:

"Energy storage should be provided where demonstrated to be technically feasible, operationally appropriate and proportionate to the scale and nature of the development."

2.10 This would retain the policy objective while allowing energy storage to be considered against the particular circumstances of each development.

Seek to maximise available renewable capacity onsite

2.11 MINI Plant Oxford is committed to installing renewable energy onsite where there is a financial and technical justification. The existing solar installation at Plant Oxford is approximately 3MWp, with a further 1MWp installation scheduled for operation in 2027. Further onsite solar installations would require permission from National Grid to export energy to the grid during periods of manufacturing shutdown for example at weekends. This deteriorates the financial business case for further renewables installations.

Installing sufficient renewable energy at a location off site

2.12 In the context of preparing a planning application it is not practical or effective to require the identification and ownership of a new site or location for renewable energy to provide the shortfall in energy. Therefore it is inevitable that substantial energy will need to be obtained from the National Grid.

2.13 Nonetheless BMW request clarification on whether the following arrangements could constitute acceptable evidence of secured off-site renewable supply:

- direct-wire renewable generation;
- sleeved power purchase agreements;
- physical or virtual power purchase agreements linked to identified generating assets;
- long-term renewable electricity contracts;
- independently verified renewable electricity supply arrangements; and
- Renewable Energy Guarantees of Origin, either alone or in combination with documented procurement arrangements.

2.14 If some procurement models are not considered sufficient, the policy or supporting text should identify the applicable criteria, including:

- traceability to identified renewable generation;
- duration of the contractual commitment;
- additionality or support for new generating capacity;
- arrangements for monitoring and verification;

- treatment of changes to the electricity contract; and
- measures to prevent double counting.

Offsetting

2.15 Policy R1(e) requires renewable generation to be maximised on-site before any remaining demand is met through off-site renewable generation. Where this cannot be achieved, residual energy demand may require payment into Oxford City Council's offsetting fund. The policy does not specifically make allowance for grid supplied renewable energy, it is therefore unclear how grid-supplied electricity will be treated under R1(e), particularly where an applicant procures renewable electricity through recognised contractual or certification mechanisms.

2.16 Clarification is required as to whether:

- renewable electricity procured through the National Grid can satisfy R1(e);
- grid electricity would require offsetting simply because the generating asset is not on land controlled by the applicant;
- the progressive decarbonisation of the National Grid will be recognised when determining residual offsetting requirements; and
- recognising that the UK Government policy to green the grid timeframe overlaps with the Oxford Local Plan timeframe an applicant could be required to procure renewable electricity from the National Grid and also contribute to the Council's renewables offsetting fund for the same energy demand.

2.17 This is particularly important for MINI Plant Oxford as an energy-intensive industrial development where demand cannot realistically be met through renewable generation on land controlled by the business.

Conclusion

2.18 BMW support the aims of the policy and net zero ambitions but in the context of MINI Plant Oxford the evidence above demonstrates that the policy will be unachievable for a significant new manufacturing building. In summary:

- There is not sufficient space at Plant Oxford to accommodate renewable energy, whether wind or solar.
- Storage should only be provided where it can be demonstrated to be technically feasible, operationally appropriate and proportionate to the scale and nature of the development.

- It is not practical or effective to require the identification and ownership of a new site or location for renewable energy to provide the shortfall in energy.

- Suitable arrangements for grid supplied renewable energy should be accepted before offsetting residual energy in an offsetting fund.

2.19 Therefore, BMW request modifications as proposed in BMW's regulation 19 representation.