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**Title:** Review of London Plan Policies and Mayoral Strategies  
**Date:** April 2010  
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**Briefing note:** Review of the London Plan and the Mayor's Energy Strategy in relation to decentralised energy policies

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1. **The London Plan (Spatial Development Strategy for Greater London), Consolidated with Alterations since 2004, February 2008**

The current London Plan includes climate change as one of the city's cross cutting policy areas, the focus of which is the achievement of a reduction in carbon dioxide emissions.

The Mayor's overall targets for reducing carbon dioxide emissions are set out in **Policy 4A.2**, with an overall target of **reducing emissions by 60% by 2025**, based on 1990 baseline figures.

**Policy 4A.1** requires that the following hierarchy is used to assess planning applications in line with the Mayor's Energy Strategy:

- **Using less energy**, in particular by adopting sustainable design and construction measures
- **Supplying energy efficiently**, in particular by prioritising decentralised energy generation
- **Using renewable energy**

Additionally, **Policy 4A.4** requires that applications should include an **Energy Assessment**, which investigates the feasibility of CHP/CCHP and community heating systems.

**Policy 4A.5** is crucial in terms of DE provision and requires that:

*'DPDs identify and safeguard existing heating and cooling networks and maximise the opportunities for providing new networks that are supplied by decentralised energy. Boroughs should*

*ensure that **all new development** is designed to connect to the heating and cooling network.'*

Furthermore, **Policy 4A.6** states that DPD documents should require all developments to demonstrate that their heating, cooling and power systems have been selected to minimise carbon dioxide emissions.

*'Heating and cooling infrastructure should be designed to allow the use of **decentralised energy** (including renewable generation) and **for it to be maximised in the future.**'*

There is a requirement that all major developments demonstrate that their proposed heating and cooling systems have been selected with the **following order of preference**:

- connection to existing CCHP/CHP distribution networks
- site-wide CCHP/CHP powered by renewable energy
- gas-fired CCHP/CHP or hydrogen fuel cells, both accompanied by renewables
- communal heating and cooling fuelled by renewable sources of energy
- gas fired communal heating and cooling

There is to be a presumption that **targets will be met in full except where developers can demonstrate** that in the particular circumstances of a proposal there are **compelling reasons for the relaxation of the targets (Para 4.9)**.

## **2. The Draft Replacement London Plan (December 2009 and March 2010)**

The Mayor published the draft replacement London Plan in October 2009 and an Examination in Public is timetabled for the Summer and Autumn of 2010. Proposed new guidance on decentralised energy is contained within Chapter 5 'London's Response to Climate Change' of proposed Plan.

Under **Policy 5.2**, the draft plan sets out a revision to the terminology used within the energy hierarchy, requiring development proposals to minimise carbon dioxide emissions as follows:

- **Be lean: use less energy**
- **Be clean: supply energy efficiently**

- **Be green: use renewable energy**

The draft plan requires that **targets are met on-site**, and where it is demonstrated that this cannot be achieved, any shortfall may be provided offsite or through a cash in lieu contribution to the relevant borough, to be ring fenced to secure delivery of carbon dioxide savings elsewhere.

Policy 5.5 sets a target for **25% of the heat and power used in London to be generated through the use of localised decentralised energy systems by 2025**. The DE target will predominantly be based around the use of gas-fired combined heat and power, district heating and cooling in the first instance (Para 5.32). In achieving this target, **the Mayor prioritises the development of decentralised heating and cooling networks** at the development and area wide level, and larger scale transmission networks. The policy **requires boroughs to develop policies and proposals to identify and establish decentralised energy network opportunities within LDFs**.

As a minimum, boroughs are required to:

- **Identify and safeguard existing heating and cooling networks**
- **Identify opportunities for expanding existing networks and establishing new networks.**
- **Develop energy masterplans for specific decentralised energy opportunities**

**Policy 5.6** requires **major development proposals to select energy systems in accordance with the following hierarchy**, which represents a simplification of the existing requirement under approved London Plan Policy 4A.6 above.

- **Connection to existing heating or cooling networks**
- **Site wide CHP network**
- **Communal heating and cooling systems**

### **3. The Mayor's Energy Strategy: Green Light to Clean Power, February 2004**

The current Energy Strategy sets out the Mayor's proposals for the way energy is supplied and used within London over a ten-year period from 2004.

The energy hierarchy within the existing Energy Strategy gives precedence to the use of renewable energy over the efficient supply of energy, although the current and proposed London Plan has now reversed these priorities.

Policies 11 and 12 outline the Mayor's support for the growth of decentralised electricity generation and the expansion of community heating in London.

Under **Proposal 18**, the Mayor requires **planning applications referable to him to include combined heat and power and community heating where feasible. Applications for electricity generating plant referable to the Mayor should use the heat**, where feasible, even if that means distributing it to other buildings nearby. Boroughs should expect the same.

#### **4. Delivering London's Energy Future: The Mayor's Draft Climate Change Mitigation and Energy Strategy for consultation with the London Assembly and Functional Bodies, February 2010**

A draft revised Energy Strategy was published for consultation in February 2010. The final strategy will be published in late 2010/early 2011.

The revised strategy proposes to reduce London's carbon dioxide emissions by:

- 22 per cent of 1990 levels by 2015
- 38 per cent of 1990 levels by 2020
- 60 per cent of 1990 levels by 2025

Chapter 4 outlines the Mayor's aim of meeting the city's energy demand through the provision of an efficient, affordable and secure supply of low and zero carbon energy, **including 25 per cent from decentralised energy by 2025**. Policies 4 and 5 are central to this achievement and a series of key actions are outlined for relevant parties in doing so.

**Policy 4** requires that **all new development** will, wherever possible, either **support the expansion of existing decentralised energy systems or include new systems on-site**.

**Policy 5** requires the identification and development of opportunities for decentralised energy schemes in London by the GLA group, London boroughs and the private sector through the following programmes:

- The London Heat Map
- Co-development of exemplar decentralised energy projects, such as the London Thames Gateway Heat Network, Whitehall and Pimlico District Heating schemes (PDHU).
- The Decentralised Energy Masterplanning Programme.
- London Waste and Recycling Board grants and investments.
- JESSICA Fund and London Green Fund, of which JESSICA is allocating up to £64 million for decentralised energy and the London Green Fund has an ambition to attract £100 million of funding for projects tackling climate change.
- The LDA team providing strategic guidance and support on decentralised energy.