

Date: Thursday 17th October 2002
Time: 9:00 to 12:30
Venue: Committee Room 1, National Assembly, Cardiff Bay
Title : Review of Energy Policy in Wales: Consultation on renewable energy report

Purpose of Paper

1. To report on the responses to the consultation on the Renewable Energy report

Background

2. The paper attached, prepared by the Secretariat, provides a summary of the responses received in the consultation on our renewable energy report. The individual responses, which have been available internally to Members for a little while, have now also been published on the Internet.

Target for Renewables

3. At the last EDC discussion on this part of the Review we talked about setting a target for renewable energy. This was discussed by the Reference Group on 24 September.
4. The general impression from the responses to the consultation is that for a great many people the question of a target is not a key issue. Very few people commented on the specific figures presented. On-shore wind energy dominated the responses - some were strongly opposed, mainly on the grounds of visual impact and the risk to tourism; others took the view that we had no option but to move in this direction and should set an aspirational target. In very few cases did we receive any comment on the precise level of a target in terms of the analysis we presented.
5. The discussion at the Reference Group highlighted a number of points:
6. While it could be argued that the responses suggest there was no need to set a target, having one would send a strong message to investors that Wales welcomed investment in renewable energy. The view expressed in the Group was that currently there was a widespread perception that Wales was 'closed to investment' in this sector – although this needs to be contrasted with the other message from the consultation that Wales was doing more than its fair share in the wind energy sector.
7. The Group stressed that it was important to recognise that technology in this sector was

developing and changing very rapidly. Any target would need to be reviewed soon and regularly. It would perhaps be more realistic to see one in terms of a benchmark against which development could be assessed.

8. There was some discussion of setting targets for individual renewable sources as this might better cope with technological change and would help get the message across that the debate on renewable energy is not simply – or, even mainly, about wind turbines on hills. However, the general view was that with rapidly-changing technology, targets expressed in this way were unlikely to be useful. Moreover, given all the uncertainties, one should not base policy in this sector on trying to pick winners.

9. It was suggested though that it in view of the widespread misconceptions in the Review about wind energy, it would be helpful to set out clearly what targets meant in practical (and visual) terms.

Next Action

10. Members of the Committee are invited to discuss the findings of the consultation after which the Secretariat will prepare a draft 'final' report on this phase of the review. The hope is that we can finalise this at our meeting on 14 November.

Chris Gwyther AM
Chair, EDC

ECONOMIC DEVELOPMENT COMMITTEE - Review of Energy Policy in Wales

Summary of responses to Consultation

A. Purpose of paper

1. This paper summarises the responses received in this consultation exercise. The individual responses are available on the intra/internet at [National Assembly for Wales: Key Publications : Assembly Committees : Economic Development Committee](#). No respondent objected to their views being published.

B. Background

2. The Economic Development Committee published its report: Review of Energy Policy in Wales. Part 1: Renewable Energy on 25 April 2002. It invited comments on the report, and particularly its recommendations by 5 July. A copy of the Chair's letter of invitation is at Annex

A. The report was available on the Internet and some 900 hard copies were issued. A number of responses were received after the closing date of 5 July and these were also taken into account.

C. Summary of Responses received

Number of responses

3. In all 146 written responses were received in the consultation. In addition the Report was discussed at the North Wales, South West Wales and South East Wales Regional Committees. The Mid Wales Regional Committee discussed renewable energy on an earlier occasion and the views expressed at that meeting have also been considered as part of the consultation.

4. In response to the consultation exercise, Friends of the Earth Cymru launched a campaign to encourage people to support the development of renewable energy in Wales and issued leaflets together with a 'printed' postcard, which they invited members of the public to send to their Assembly Member. In the course of the consultation, 318 of these were forwarded by AMs to the Committee Secretariat. In some cases, the respondent has added their own comments to the printed card and in these cases these have been treated as an individual response to the consultation. Of the 146 responses referred to above, 25 were in the form of additional comments on FoE cards.

Source of responses

5. Responses came from a wide range of sources: from individuals, Councillors writing personally or on behalf of their constituents or authority, from business, public sector and voluntary organisations. We also spotted a case where an individual within an organisation contributing to the consultation has written separately in a personal capacity – and there may be others.

6. 15 responses came from outside Wales – in one or two cases these were from people located near the English border, most of the remainder were from UK bodies with offices in England that covered the whole of the UK.

Type or Response

7. The Chair's letter invited views widely on the subject of renewable energy and suggested respondents might find it helpful to address their comments in relation to the 6 recommendations made in the report. In some cases, respondents did this, in others they commented on wider issues in relation to the energy sector and sometimes on specific issues of particular concern to them. The length of response varied from a few words or lines, to more substantive documents.

8. Most responses are submissions from individual people or organisations. In a number the response has been a letter saying simply that they agreed with the comments made by another – in one case, 19 respondents signed a standard letter (presumably presented by the original author). The ‘Friends of the Earth’ postcards are a similar example of where a particular view has been actively canvassed and supported by a promoter of a viewpoint.

Note on analysis of the consultation

7. Persons or bodies responding to the consultation are self-selected and do not constitute a ‘random’ or representative’ sample in any statistical way. It cannot simply be assumed that the proportion of respondents expressing views for or against different issues in the consultation reflect the proportions in the population of Wales generally.

D. General Themes to emerge

General reaction

8. The overwhelming response from the consultation was one of welcoming the Committee’s decision to examine the issues relating to energy in Wales, and in particular, renewable energy. Everyone agreed that it was an important subject and one for which Wales needed a clear and considered policy. There was a clear recognition of the need for a widely-based debate on the subject and for the Economic Development Committee’s role in encouraging and facilitating this.

Reductions in overall energy consumption

9. One of the strongest themes to emerge in the consultation was the view that Renewable Energy should not be considered before, or separately, from the wider issue of reducing energy consumption overall - including energy used by transport. This view was not restricted to people opposed to the development of new forms of energy but was a common theme reflected by a large number of people. The reason for approaching the Review in stages, and concerns about the loss of investment, this way was explained in the Committee’s report but the underlying concerns about Wales losing valuable investment was not something that many respondents recognised as an issue.

10. Alongside this a number of people said that priority should be given to the installation of solar panels and higher levels of insulation on new and, where possible, existing houses. A number of people also linked this to the development of community heating and community energy schemes and some to the need for more recycling of waste. In some cases this led onto the generation of electricity from waste although others commented that the latter is not truly a renewable resource. Reference was also made to ‘cheap energy’ policies and some thought it inappropriate to separate heat and electricity. Others broadened the subject area to expressing views about incinerators generally.

Global warming

11. Generally speaking, respondents accepted the conclusion that global warming needed to be addressed and that the present pattern of generating and consuming energy could not continue. However, there were a small number of people who questioned the assessment that global warming was the consequence of excessive discharges of carbon dioxide into the atmosphere. These included some detailed responses showing some careful examination of this issue. Reference was also made to academic publications by Philip Stott and by Bjorn Lomborg which cast doubt on many of the claims made about the causes of global warming.

12. The vast majority of the remainder agreed with the Report's view that it was necessary to increase the amount of energy generated from renewable sources and there was a clear view that this needed to be done sensitively and so as not to prejudice tourism or areas of environmental significance. In one or two cases respondents indicated that they considered the situation so serious that there was no alternative but to act and that the cost of this would have to be faced up to.

Renewable energy

Sources

13. A large number of respondents spoke of renewable sources of energy only in terms of wind turbines on hillsides. In some cases, strong support was given to the need to develop other forms of renewable energy and, in a few, quite careful analyses were presented of the opportunities that were offered by Biomass, lipids, waste cooking oils and animal fats. One or two mentioned the importance of developing the hydrogen economy. Very few respondents commented on tidal energy.

Wind energy

14. The widest range of views, not surprisingly, was on the subject of wind energy. Those in favour considered it offered opportunities for highly-skilled jobs, investment and for Wales to establish itself in a key technological area. Nonetheless, virtually everyone in favour recognised the issues that wind turbines posed for tourism and the visual environment, and there was a widespread view that these issues had to be considered carefully in respect of any development. The issue was not one sided though, with one respondent referring to an example (in England) where a wind farm and its visitor centre had provided a significant tourism opportunity and attracted large numbers of visitors.

15. Many of those opposed to wind turbines spoke of their impact on the visual environment and the major importance of tourism to Wales. This is in fact an area where there is relatively little hard data and a couple of respondents suggested that a careful cost benefit analysis should be undertaken of this. Others expressed the view that the economic case was unsound because

there were very few jobs to be created by wind energy – and given that other countries, particularly Denmark, were further advanced than the UK, any expansion in Wales would simply draw in surplus technology from elsewhere. Indeed, given recent announcements about reductions in the use of wind energy in Denmark we would lay ourselves open to the dumping of equipment.

16. Relatively few respondents who were opposed to wind turbines offered an alternative other than reducing consumption generally. Some commented that Wales, and some also the UK, was too small to have any impact on this issue – and a few that essentially there was little point in doing anything until the USA became more energy conscious. Others emphasised the importance of pursuing other renewable technologies, that wind turbines were only a part of the solution and that at best wind turbines should be seen as a short term measure while other technologies could be developed. Balancing the arguments, the view was also expressed that we must accept that all forms of energy have a cost.

17. Relatively few respondents commented on off-shore wind turbines although those that did saw, including some opponents of on-shore wind energy, saw this as a lesser evil.

Wider impact of wind turbines

18. Alongside some careful analysis from a range of people, there were also a number of views expressed which had limited scientific support. Some respondents spoke of "a wind turbine on every hill in Wales", others of "hundreds of wind farms in Wales". The Committee's report however estimated that the maximum under the 'green future' option would be 300 on-shore turbines and 150 off-shore – and this can be checked with some elementary arithmetic.

19. Further comments were made about the amount of energy involved in the production and installation of wind turbines – and reference was made to reports that these consumed more energy than the turbines would ever create. It was argued (erroneously) that in this sense wind energy could not be considered 'green'. These analyses are in fact not scientifically valid.

20. Concerns were also expressed about the risk of mechanical failure with wind turbines and the hazard they can present to bird populations – although the response from the RSPB suggests that a growth in renewable energy will bring significant countervailing benefits for birds.

21. A number of people were also under the impression that the 'Government' funded wind farms and the comment was made that the only profits they make are the grants received. In fact, all investment in the production of renewable energy is made by the private sector and support from government is largely restricted to the development of new and developing technologies. There is virtually no public assistance available for on-shore wind farms.

hydropower

22. On the question of hydropower, one respondent referred to the forthcoming implementation of the EU's Water Framework Directive which it was considered would have a major negative impact on the production of hydro-energy in Wales and that the National Assembly should follow Scotland's example in seeking a derogation from it.

Targets for renewable sources

23. A number of respondents said that figures presented on levels of energy generated and consumed in Wales, and particularly when the renewable part of this was expressed as a percentage, were unreliable and often misleading because the sources operated at these levels for only a part of the time. For example, while a wind turbine might have an installed capacity, of, say, 100MW its actual output over a period of time depended upon weather and other factors and would be significantly less than the maximum. To some extent this is primarily a question of being clear about how figures are described and presented. Those contained in the Committee's report for output levels (Terrawatt hours) reflect the 'down time' of an intermittent source.

24. There were different views on the way that Wales should set a target for itself and whether it should be based on the level of energy generated in Wales – or that consumed in Wales which is somewhat lower. The general view of respondents was that Welsh consumption rather than Welsh production was a more appropriate comparator – but most preferred the approach of expressing output in absolute terms i.e. in Terrawatt hours. This has the advantage of taking into account the intermittency of renewable sources of energy.

25. It was perhaps disappointing that while many respondents were in favour of setting a target, relatively few addressed the question of the target itself. Those generally in favour of renewables tended to go for one at the higher end of the scale 'Green Future' or 4TWh or more. The Friends of the Earth card gave a figure of 6TWh and a couple of responses said that Wales should be looking to attract as much investment in this sector as possible. However, those who had reservations about wind turbines, even when these did not amount to an outright objection, tended not to address the question of a target.

26. One or two people commented that it was pointless to set targets without specifying how they would be achieved.

27. Overall, there were 2 attitudes apparent amongst respondents. In some cases, the setting of a target for renewable energy was seen as Wales accepting a share of the responsibility that has to be shared by the UK. This was further split into those who recognised the need for some level of wind energy but felt that their part of Wales had already contributed more than its share. In others, it was seen as an opportunity for investment from which Wales should be seeking maximum benefit. In part the difference in attitude might have reflected a difference in perception about the level of jobs and the scale of the benefits available from renewable energy.

28. In many ways, the question of how one expresses the figures is critical only if the need for

renewable capacity is seen as meeting a share of a burden imposed from outside. If the issue is about one's share of a 10% or 20% target then it is worth arguing over the figures. On the other hand, if the issue is about Wales' own aspirations, and the opportunities and obligations of renewable energy, then what really counts is the number and type of renewable sources pursued and their wider impact – both positive and negative.

Nuclear energy

29. A small number of people mentioned nuclear energy and while respondents were generally opposed to it on both grounds of cost and safety, this view was not unanimous. The views were expressed that the dangers are exaggerated in the press, and that it should not be ruled out as a last resort.

Composition of EDC

30. A number of people commented on the lack of rural AMs on the Committee and indicated that some members' political position on renewable energy meant that their minds were made up before the consultation. In part this reflected a lack of understanding of the role of the Committee in undertaking a Review and a perception that EDC had been established solely to review energy policy and that the Committee on its own would set the policy and targets for Wales.

E. Responses on individual recommendations

Recommendation 1

We recommend that the National Assembly for Wales:

- a. *recognises that over the next twenty to fifty years it will be necessary to move towards a zero carbon electricity system;*
- b. *seeks to develop its indigenous renewable resources so as to make a timely contribution to the reduction of carbon emissions;*

(c) promotes renewable sources of energy in such a way as to enhance industrial, rural and commercial opportunities in Wales without prejudicing tourism or areas of environmental significance.

31. While one or two respondents questioned the claims that global warming was due to carbon emissions, there was general support for this recommendation but with particular emphasis on

the final words ‘without prejudicing tourism or areas of environmental significance’. There were comments that there was no easy way to balance economic considerations with those of climate change-friendly energy supplies and that there will be some hard choices ahead. At the same time it was noted that it was not necessary to move to a zero carbon emission system – but in the first place it was necessary to move in that direction.

Recommendation 2

We recommend that the National Assembly adopts Welsh targets for both electricity production and heat production from renewable sources by 2010 and 2020, bearing in mind the overall target for the UK of 10% of electricity generated from renewable sources by 2010. These targets should be set in the light of the responses to the consultation on this report.

In order to promote these targets the National Assembly should seek information from all Local Authorities on the contributions that they consider could be made to meeting such targets from within their areas.

32. A number of people commented on the way in which targets are expressed and the general view was that the best way to do this was in terms of net output in Terrawatt hours. This avoid debates about whether one relates output to welsh consumption or production – and also the fact that for many renewable sources actual output is much lower than the theoretical capacity.

33. Not many people commented on the levels of output that might be achieved from the different renewable sources. Many, in fact, made no comment at all on the question of targets – particularly respondents who were opposed to wind, or other forms of renewable energy. One or two said there was little point in setting a target unless one also set out precisely how it would be achieved. Rather more considered it was worthwhile to set targets but did not give any indication of the level they would support.

34. Apart from the Friends of the Earth cards which quoted a (high) level of 6TWh, bout 20 respondents commented on the level of a target. A couple argued in terms of feasibility for a ‘modest’ level - perhaps around 1.5-2.0 TWh, while the remainder expressed the more aspirational view that Wales should seek to do as much as it could. These tended to go for a target at or above 4TWh – and up to 6TWh (although one did argue for 100% renewables in 20 years.)

Recommendation 3

We recommend that the National Assembly continues to develop its own use of renewable energy with the aim of becoming a 100% user of renewable energy and urges other agencies and public bodies in Wales to foster the development of renewable energy by:

- a. *switching to green electricity for their own use;*

- b. *supporting development projects for technologies that exploit local opportunities or unique resources.*

35. There were relatively few comments on this recommendation and generally people were in support of it although some expressed doubts about the concept of 'green' energy within a national grid system.

Recommendation 4

The National Assembly should add its weight to the pressure to resolve the issues of embedded generation and wholesale market treatment of intermittent sources as a matter of urgency. It should also request clarification from the local Distribution Network Companies on their policies for connections for renewable generators.

36. There were relatively few comments on this recommendation but these were generally in support of it.

Recommendation 5

The National Assembly should:

- a. *as a matter of urgency, seek ways to clarify and streamline the planning process for renewable energy developments;*
- b. *seek an extension of its powers with regard to the approval of power generation facilities;*
- c. *find mechanisms whereby renewables developments can provide immediate and tangible benefits to the local communities in which they are located.*

37. This recommendation came in three parts. On (a) there was a degree of sympathy for eliminating delays and blockages in the planning process but the vast majority of respondents (perhaps not surprisingly) did not seem to see these to be a problem. Business respondents did though. In one case it was suggested that the National Assembly was often the cause of the delays. However, there was a very clear message that respondents generally saw the planning process as the correct and democratic way to weigh up the difficult competing arguments in respect of renewable energy developments. Clearly it was important that the process was efficient and did not involve undue delay, but there was a very clear view that these decisions must be made democratically and the systems should not be made any less rigorous.

38. There was general support for (b), that Wales should have the power to decide planing application of all sizes, although one or two people commented that Wales could not, or should not, consider its needs in isolation from the UK. The view was expressed that if the Assembly or local authorities were to take on greater responsibilities there would be resource consequences.

39. There were relatively few comments on (c) and while some agreed with the principal, others thought this could be seen as offering bribes to the local community.

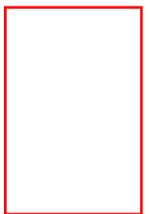
Recommendation 6

We recommend that the Minister for Economic Development identifies the energy sector as a sector with high growth potential in Wales and ensures there are programmes in place to encourage the development of skills in all parts of the country to meet these needs, and to encourage private sector investment in this vital sector.

40. There was general support for this recommendation which it was noted was not restricted to 'renewable' energy. However, a number of people had doubts as to whether there were significant jobs to be created in the sector and expressed the view that an expansion would lead to an increase in imported wind turbines. Some took the view that due to the changes in Denmark we risk having surplus technology 'dumped' on Wales.

Committee Secretariat

Annex A – Chair's letter on consultation.



Cynulliad Cenedlaethol Cymru

The National Assembly for Wales

Pwyllgor Datblygu Economaidd
Economic Development Committee
Bae Caerdydd / Cardiff Bay
Caerdydd / Cardiff
CF99 1NA

Eich cyf / Your ref
Ein cyf / Our ref

25 April 2002

REVIEW OF ENERGY POLICY IN WALES

CONSULTATION ON RENEWABLE ENERGY REPORT

I enclose a copy of the Economic Development Committee's consultation report on renewable energy. This is the first report in the Committee's review of energy policy in Wales.

The Committee chose energy policy as the subject for its next review because a secure and competitively-priced supply of energy is crucial to economic development in Wales and for our industry to be able to compete in the world-wide economy. But it is also an industrial sector in its own rights. Wales is well endowed with energy resources and has a track record of manufacturing and engineering - and both of these are vital to energy production. There are now unprecedented opportunities to develop new technologies, for research and innovation, and for jobs. If Wales takes the opportunities it can place itself at the forefront of these developments.

We selected renewable energy as the first topic in the Review because of the perceived urgency associated with planning issues and with facilitating an early start to an enhanced renewables program. We hope that our report will stimulate a wide public debate on the subject of renewable energy and invites views from people and organisations within Wales - and more widely.

The Committee has made 6 recommendations on the policy issues we consider most critical. You may find it helpful to address your comments in relation to these. Could I please have your response by Friday 5 July.

We welcome responses in Welsh or English and these can be sent in hard copy or

electronically.

Letters should be addressed to:

Gareth John
Committee Secretariat
National Assembly for Wales
Cardiff Bay
CARDIFF
CF99 1NA

e-mail responses should be sent to the Committee's electronic mail box:

Economic.comm@wales.gsi.gov.uk

Further copies of the report are available on request from Gareth John on 029 2089 8429.

As part of the National Assembly's commitment to openness, we will place copies of written responses in the National Assembly's libraries and will make them available to the public on request. Please indicate if you wish your response or any part of it, not to be made publicly available.

If you need any further information please contact the Committee's Clerk John Grimes on 029 2089 8225 or its Deputy Clerk Sian Wilkins on 029 8029 8224.

I look forward to hearing from you.

Yours sincerely



Christine Gwyther AM
Chair, Economic Development Committee