

## Environment and Sustainability Committee

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Meeting Venue:  
**Committee Room 2 – Senedd**

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Meeting date:  
**23 November 2011**

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Meeting time:  
**09:30**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



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### Agenda

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#### **1. Introductions, apologies and substitutions**

**2. Inquiry into energy policy and planning in Wales – Evidence from the Planning Inspectorate (09.30 – 10.10)** (Pages 1 – 4)  
E&S(4)–09–11 paper 1

Peter Burley, Director for Wales

**3. Inquiry into energy policy and planning in Wales – Evidence from the Environment Agency Wales (10.10 – 11.00)** (Pages 5 – 9)  
E&S(4)–09–11 paper 2

Ceri Davies, Head of Strategic Unit Wales  
Anthony Wilkes, Strategic Unit Wales Advisor – Planning

Break 11.00 – 11.05

**4. Inquiry into energy policy and planning in Wales – Evidence from the Countryside Council for Wales (11.05 – 11.55)** (Pages 10 – 21)  
E&S(4)–09–11 paper 3

Morgan Parry, Chair  
Roger Thomas, Chief Executive  
Dr Sarah Wood, Team Leader, Terrestrial Spatial Planning, Energy and Infrastructure

**5. Papers to note** (Pages 22 – 23)

Minutes of the meeting held on 3 November  
E&S(4)-08-11 minutes

**5a. Letter from the Minister for Environment and Sustainable Development - Additional information following the meeting on 19 October** (Pages 24 – 27)

E&S(4)-09-11 paper 4

**5b. Inquiry into energy policy and planning in Wales – Response from the Business, Enterprise, Technology and Science Energy & Environment Sector Team** (Pages 28 – 31)

E&S(4)-09-11 paper 5

## Environment and Sustainability Committee

E&S(4)-09-11 paper 1

Inquiry into Energy Policy and Planning in Wales – Evidence from  
The Planning Inspectorate



The Planning Inspectorate  
Yr Arolygiaeth Gynllunio

### THE PLANNING INSPECTORATE'S EVIDENCE TO THE NATIONAL ASSEMBLY FOR WALES ENVIRONMENT AND SUSTAINABILITY COMMITTEE INQUIRY INTO ENERGY POLICY AND PLANNING IN WALES

*19 September 2011*

We are grateful to the committee for inviting us to submit written evidence to its inquiry. Below we set out an introduction and factual background and the main points of our evidence.

#### **Introduction and factual background**

PINS Wales is a Directorate within the Planning Inspectorate, which is an agency within both the Department for Communities and Local Government in England and the Welsh Government. PINS Wales is based in Crown Buildings, Cathays Park, Cardiff. It deals with all planning appeals made to Welsh Ministers and called-in applications. It also handles a wide range of appeals and orders made under other legislation, including environmental permit appeals, rights of way orders and applications for works on common land.

Most cases are transferred to Inspectors who make the decision on behalf of the Minister. However, in the case of called-in applications under S77 of the 1990 Act, and a very small number of recovered appeals, the final decision is made by the Minister on the basis of a report prepared by an Inspector.

Appeals are dealt with under 3 different procedures, written representations (*where the decision is based on written evidence + a site visit*); hearings (*an informal process where parties can put their views verbally to an Inspector*); and inquiries (*where the evidence is tested formally under cross examination by advocates*). Of the planning appeals received in 2010/11 584 (79%) were dealt with by written representations, 123 (17 %) by hearings and 28 (4 %) by inquiries.

Prior to April 2010 major energy infrastructure proposals in Wales, such as generating stations above 50MW or overhead power lines, were submitted to the Department for Energy and Climate Change under s36 or s37 of the Electricity Act 1989 and determined by the Secretary of State. Other energy development proposals requiring planning permission under the Town and Country Planning Acts were handled by PINS Wales either if they had been called in by Welsh Ministers or if the applicant had been refused permission by the local authority and appealed to the Minister. Since April 2010 applications for energy projects in Wales involving generating stations, above ground electric lines, underground gas storage facilities in natural porous strata, or pipelines other than gas transporter pipelines, above the relevant thresholds specified in the 2008 Planning Act (s15–21)<sup>1</sup> have been required to be submitted to the Infrastructure Planning Commission (IPC) for consent.

Unlike in England, applications for associated development and/or ancillary consents in Wales are not within the purview of the IPC and continue to be determined as before. Consequently, such proposals could potentially still fall to be handled by the Inspectorate where they are either called in by Ministers or are subject to an appeal.

The UK Government has decided to abolish the IPC, integrating its functions into the Planning Inspectorate (PINS) by setting up a new, separate national infrastructure directorate within PINS. The infrastructure planning regime will remain largely unchanged, but the power to decide applications for development consent will be transferred to the Secretary of State. These changes will take effect from April 2012 subject to the Localism Bill being enacted. All national infrastructure proposals covered by the 2008 Act in both England and Wales will be handled by the new separate national infrastructure directorate, which will be based in Bristol.

PINS Wales will continue to handle all casework where the decision rests with Welsh Ministers.

While each planning appeal/application has to be determined on its merits, the starting point for any determination is the policies of the Development Plan, providing one has been adopted and it contains policies that are relevant to the proposal. Section 38(6) of the 2004 Planning and Compensation Act requires the decision maker to determine the appeal/application in accordance with the Development Plan unless material considerations indicate otherwise. Other important material considerations will of course include national policy, as set out in Planning Policy Wales and the relevant Technical Advice Notes, including TAN8, and ministerial interim planning policy statements (MIPPS). As Inspectors act on behalf of the Minister they

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<sup>1</sup> The threshold for energy generating stations, including wind farms, is any development of more than 50MW onshore and 100Mw offshore.

would normally seek to make their decision in accordance with national policies, unless there are other considerations of substantial weight that would justify a departure from national policies in the particular circumstances of the case.

TAN 8 is supportive of small community renewable energy schemes of less than 5MW subject to their meeting normal planning criteria. It indicates that larger schemes for wind turbines (over 25MW) should be concentrated in 7 Strategic Search Areas (SSAs). However, it also indicates that local authorities may wish to consider proposals on land outside but adjoining SSAs, providing there is a suitably robust case and there are no planning constraints.

In 2009/10 PINS Wales dealt with 11 appeals/applications involving renewable energy developments. Together the proposals included 43 wind turbines, ranging from a single turbine to 16 turbines. The latter scheme at Ammanford was the only one of the proposals that was called-in for determination by the Minister. Of the 11 cases, 7 were allowed, granting permission for 24 turbines, including the scheme at Ammanford. The remaining 5 appeals covering 20 turbines were dismissed.

Of the 3 cases involving proposals of more than 5 MW, one was within an SSA (*a scheme for 13 turbines at Gorsedd Bran, Nantglyn*) and 2 were on the edge of an SSA (*these included the scheme for 16 turbines at Ammanford and a proposal to add an additional 3 turbines to an existing wind farm within an SSA at Newcastle Emlyn*). Despite being in an SSA the scheme for 13 wind turbines was dismissed on the basis of its impact on important views and noise. In contrast, the Minister approved the scheme for 16 turbines on the edge of an SSA concluding that the degree of harm it would cause did not outweigh the contribution the scheme would make to the provision of electricity from renewable sources. The scheme for the 3 additional turbines was dismissed due to its visual impact.

In 2010/11 PINS Wales dealt with 7 renewable energy appeals. Three of these were for wind energy schemes involving a total of 24 turbines, ranging for a single turbine to a 19 turbine scheme at Mynydd y Gwair, Swansea. Only the appeal for the single turbine was allowed, the other two appeals covering 23 turbines were dismissed. The other 4 renewable energy appeals related to biomass energy plants or anaerobic digesters. Three of these were allowed and one was dismissed.

Of the two wind farm schemes that were dismissed, the one for 19 turbines at Mynydd y Gwair was located in an SSA but the other scheme for 4 turbines near Blaina, Blaenau Gwent was not. The former scheme, which was recovered for determination by the Minister, was dismissed because of its unacceptable impact on blanket bog habitat.

This decision is the subject of a current legal challenge. The latter scheme was dismissed because of its landscape impact.

There are currently 2 further renewable energy appeals with the Inspectorate waiting to be determined. One for 7 wind turbines at Gilfach Goch is due to be heard at an inquiry in October. The other for a 25MW biomass CHP plant at Alexandra Docks in Newport is currently in abeyance, as the Council has approved a similar scheme in principle but is awaiting the signing of an agreement under Section 106 of the Planning Act 1990.

Peter Burley  
Director for Wales  
The Planning Inspectorate

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## Environment and Sustainability Committee

E&S(4)-09-11 paper 2

### Inquiry into Energy Policy and Planning in Wales – Evidence from the Environment Agency Wales

#### Inquiry into energy policy and planning in Wales

##### 1. Our Role in Energy Policy and Planning

We have two roles in energy policy and planning:

###### **An Advisor**

As an advisor to Government, we influence and inform legislation and planning policy.

We are also a statutory and non-statutory consultee in the spatial planning system. We provide environmental advice on nationally significant infrastructure proposals, local authority development plans and site specific planning applications.

Our primary role is to ensure the decision maker (in most cases the Local Planning Authority (LPA) or Infrastructure Planning Commission (IPC)) understands the environmental implications associated with a proposed development, over its lifetime. The decision maker's role is to balance the social, economic and environmental costs and benefits.

###### **A Regulator**

The Environment Agency regulates (including permitting):

- Industrial, energy, waste and agricultural installations
- Discharges to, and abstractions from, surface water and groundwater
- The use of radioactive substances

We also administer and regulate the EU Emissions Trading System (EUETS) and the CRC Energy Efficiency Scheme.

We want to achieve the best environmental outcomes from our planning and permitting roles and support sustainable development by providing clear, consistent and timely advice to inform the decision-making for our business and local authority customers.

Based on our experience as an advisor and regulator, we believe there are two things that could help to improve the planning process:

- A National Infrastructure Plan (NIP) – ensuring that large-scale infrastructure and development is planned strategically so that it is located in the best place for industry, communities and the environment

- Running the planning and permitting processes separately but at the same time

## **2. A National Infrastructure Plan (NIP)**

We suggest that greater consideration needs to be given to putting energy infrastructure in a place where it is right for industry, communities and the environment. However, the existing system doesn't always secure this outcome.

Wales needs a system which allows consideration of location and the environmental impact at a Wales wide scale i.e. proactive and strategic decision making to get the location right. Whilst we recognise that Welsh Government has identified strategic search areas for onshore wind generation, at the moment there is no overarching spatial plan which considers all types of infrastructure, including energy. The market is therefore left to determine the location. This has the potential to result in missed opportunities. This is reflected in examples such as where the location makes the use of combined heat and power unfavourable or impossible or development is inappropriately located, for example in flood risk areas.

### **The benefits**

A NIP could help to deliver Welsh Government policies on sustainable development and climate change by ensuring that Wales plans for the right mix of energy. To help achieve this, it would need to be informed by environmental evidence, such as Welsh Government's Natural Environment Framework (NEF) and other plans and strategies, such as the emerging Marine Plans.

To assist business and industry in making locational decisions, the NIP should identify where the environment is at, or near, its environmental capacity or protective environmental legal limit. By identifying such locations, it would help guide development to more suitable locations in Wales that may not be as constrained. This would give business and industry a clear steer on more suitable locations for different types of development and would thus manage expectations. It would also provide an indication of the issues that they would be likely to face depending on their chosen location and therefore the timescales and costs for gaining the necessary permissions.

It should also help to capitalise on the opportunities available. For example, by siting energy from waste facilities or biomass facilities in locations where the opportunity exists to use energy that would ordinarily be wasted, it could be used instead for the benefit of the local community (for example combined heat and power).

No one sector should be overly favoured or penalised. The NIP should not look to identify 'no-go' areas. It should:



- Identify areas better suited for certain developments
- Recognise that some areas may not be suitable for some types of industry without significant and potentially, costly mitigation to protect the environment
- Facilitate a discussion about what form of development could deliver more benefit for the local area

**Possible option:** Welsh Government to consider producing a NIP. Welsh Government would need to ensure that their NIP is identified as a primary consideration in the (UK) National Planning Policy Statements. Decisions taken by the IPC would then need to take full account of the NIP.

### **What are we doing**

From our perspective, the key environmental implications of development are currently being recognised and addressed too late in the site selection process. This can lead to or give the impression that the environment is a barrier to development as once a preferred option is identified, it is then difficult to retrospectively mitigate the environmental impacts.

We therefore need to ensure that business and industry take the environment properly into account whilst the development of an NIP is being considered. As already indicated, this needs to be ideally when developers are **searching** for sites. A NIP would potentially make this easier but in its absence, some early consideration could be achieved through better working of the current consenting regimes of planning and permitting. To help this process, we are currently developing a series of sector specific guidance notes for activities that we permit under Environmental Permitting to help inform planning decisions.

These will cover:

- Pig and poultry
- Combustion installations
- Incineration and co-incineration of waste
- Landfill
- Anaerobic digestion
- Composting

They will set out the critical local factors that influence:

- How we respond to planning consultations (e.g. reasons why we might object or factors we wish planning to consider that are beyond the permitting remit)
- The likelihood of getting an environmental permit (e.g. reasons we might refuse an application)
- The likelihood of additional environmental protection measures being needed to obtain a permit

- Whether certain pollution control measures that may impact planning may be needed and therefore parallel tracking is advisable
- Instances where permitting requirements may have planning implications
- Planning considerations for proposed new developments near existing permitted activities
- Provision of information and advice

We believe the guidance will be useful in informing a NIP.

In the absence of a NIP, we intend to use the above guidance to inform our responses to planning consultations. This may well need to be done prior to receiving an Environmental Permit application. Our response to a planning consultation is likely to be better informed if we have the relevant environmental information contained within an Environmental Permit application. This leads to the option of running the planning and permitting processes separately, but at the same time, for a limited number of high risk or complex developments.

### **3. Running The Planning and Permitting Processes Together**

As well as needing planning permission, new energy infrastructure may require an environmental permit from us before it can operate. The developer can decide on the timing of these applications and they can be either sequential or in parallel.

We believe that for high risk and complex activities, it would be beneficial if developers applied for planning and environmental permits at the same time, as this would make for a clearer, more transparent process for decision makers and the public. For the public, this would bring clarity about what the two processes can consider.

From a developer's perspective, undertaking both processes at the same time could also allow for joint consultation to meet the needs of both the planning environmental impact assessment and the environmental permit consideration, thus reducing costs and timescales for obtaining the relative permissions.

**Possible option:** Welsh Government to consider describing those situations where a developer will need to submit applications for their planning permission and environmental permit at the same time.

**Date: 23 September 2011**



# Cyngor Cefn Gwlad Cymru Countryside Council for Wales

CADEIRYDD/CHAIRMAN: MORGAN PARRY • PRIF WEITHREDWR/CHIEF EXECUTIVE: ROGER THOMAS

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The Rt Hon Lord Dafydd Elis-Thomas AM  
Chair  
Environment & Sustainability Committee  
National Assembly for Wales  
Cardiff Bay  
CARDIFF  
CF99 1NA

23 September 2011

Dear Sir

## ENVIRONMENT & SUSTAINABILITY COMMITTEE INQUIRY: ENERGY POLICY AND PLANNING IN WALES

The Countryside Council for Wales champions the environment and landscapes of Wales and its coastal waters as sources of natural and cultural riches, as a foundation for economic and social activity, and as a place for leisure and learning opportunities. We aim to make the environment a valued part of everyone's life in Wales.

Thank you for giving CCW the opportunity to submit evidence to this inquiry. Our comments are made in the context of CCW's role as an advisor to Government on energy policy and planning as far as that relates to the natural heritage of Wales and as a statutory advisor to licensing authorities responsible for the development of energy in Wales.

We note that oral evidence sessions for this inquiry will take place in the autumn term and we would welcome the opportunity to give evidence and answer further questions at one of these sessions.

I hope you find these comments helpful. If you would like to discuss any of the points we have raised, please contact Keith Davies ([k.davies@ccw.gov.uk](mailto:k.davies@ccw.gov.uk)) in the first instance.

Yours sincerely

**Roger Thomas**  
Chief Executive



**Gofalu am natur Cymru - ar y tir ac yn y môr • Caring for our natural heritage - on land and in the sea**



# Cyngor Cefn Gwlad Cymru Countryside Council for Wales

## NATIONAL ASSEMBLY FOR WALES ENVIRONMENT AND SUSTAINABILITY COMMITTEE INQUIRY INTO ENERGY POLICY AND PLANNING IN WALES

### WRITTEN EVIDENCE FROM THE COUNTRYSIDE COUNCIL FOR WALES

The Countryside Council for Wales (CCW) welcomes the opportunity to participate in the Environment and Sustainability Committee inquiry into energy policy and planning in Wales. Our evidence sets out our role in energy policy and consenting of energy developments in Wales and focuses on the key strategic issues relating to energy policy in Wales and its relationship to UK Government Energy Policy that were set out in the Terms of Reference for the inquiry<sup>1</sup>.

#### 1. Summary

- 1.1 CCW is the Welsh Government's statutory advisor on sustaining natural beauty, wildlife and the opportunity for outdoor enjoyment in Wales.
- 1.2 CCW encourages early engagement with developers to find positive solutions to get the right development in the right place and at a project level to identify, mitigate and resolve environmental issues.
- 1.3 Our advice focuses on the impact of a particular development or plan on interests of acknowledged importance relating to the natural heritage of Wales to ensure the decision making process is informed by the best available evidence.
- 1.4 Energy policy needs to be integrated with the needs of other activities and uses of our natural environment, integrated across land and Welsh seas, and within the policy framework that addresses these interests.
- 1.5 Further devolution of energy powers might allow some limited simplification of consenting arrangements but more importantly may help to drive better integration of strategic planning for energy that more effectively coordinates delivery of energy policy in Wales.
- 1.6 All interests (social, economic and environmental) need to be addressed irrespective of whether further energy powers are devolved or not.
- 1.7 Irrespective of the further devolution of powers to Wales, maintaining strong links with policy makers and planners across the UK is necessary to ensure that the cross border and trans boundary implications of proposals are fully understood and addressed.

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<sup>1</sup> Letter from Dafydd Elis-Thomas, Chair of the Environment and Sustainability Committee (2 August 2011).

- 1.8 It is essential that experience, best practice and information about the impacts of energy related activities is shared across the UK and wider to ensure that the evidence base for informing decisions is developed as comprehensively and efficiently as possible.
- 1.9 Adopting the approach to environmental management that is likely to be introduced by the Natural Environment Framework will be easier to implement via a single policy framework for energy in Wales.
- 1.10 CCW has, and continues, to support the principles behind a strategic and spatial planning approach for the deployment of renewable energy as expressed in TAN 8.
- 1.11 CCW believes that a clear policy and planning framework is critical to the effective delivery of energy goals whilst at the same time addressing the necessary requirements of the environment and other interests.
- 1.12 We would welcome a Welsh Government led renewable energy delivery board or forum to work constructively to facilitate the deployment of renewable energy more effectively in Wales.
- 1.13 CCW support a National Infrastructure Plan for Wales that better integrates the planning and consenting of energy projects with necessary ancillary infrastructure whilst ensuring environmental duties and obligations are met.

## **2. Introduction**

- 2.1 The Countryside Council for Wales welcomes the opportunity to participate in the Environment and Sustainability Committee inquiry into energy policy and planning in Wales.
- 2.2 CCW champions the environment and landscapes of Wales and its coastal waters as sources of natural and cultural riches, as a foundation for economic and social activity, and as a place for leisure and learning opportunities. We aim to make the environment a valued part of everyone's life in Wales.
- 2.3 CCW is the Welsh Government's statutory advisor on sustaining natural beauty, wildlife and the opportunity for outdoor enjoyment in Wales. CCW was created by the Environment Protection Act 1990 to provide advice on nature conservation, landscape and recreational matters throughout Wales and in Welsh waters.
- 2.4 We work proactively to help deliver renewable energy development and achieve low carbon energy goals whilst ensuring our duties, obligations and priorities in relation to conserving and enhancing the natural heritage and natural resources of Wales are met within the overall context of sustainable development. We give a high priority to work at a strategic level with Government, regulators and developers being clear what is important to us and why, sharing knowledge, evidence and our experiences, encouraging spatial and strategic consideration of deployment and to develop research and improving consenting procedures. The statutory nature conservation agencies (CCW, Natural England, SNH, JNCC and DOENI) also work collaboratively to ensure a joined up approach to environmental advice across the UK and in Wales we have a close relationship with other bodies in Wales (including EAW, FCW and the Local Planning Authorities) on energy issues.

2.5 We are members of and have a proactive role in a number of fora which operate at a UK level facilitating renewable energy deployment to meet UK policy targets either at a strategic spatial level or in identifying issues and barriers at a project consenting stage. These are non-statutory processes which include the Infrastructure Planning Commission (IPC) led onshore and offshore consenting forums, the Offshore Renewable Energy Licensing Group and the DECC lead Renewable energy environmental issues (REDEI) group. These groups also enable us to benefit from the wider sharing of best practice, lessons learned and research in renewable energy deployment at a UK, European or worldwide level which is of benefit to Wales.

2.6 CCW also encourages early engagement with developers to find positive solutions to get the right development in the right place and at a project level to identify, mitigate and resolve environmental issues. CCW has developed a Statement of Understanding (SoU) with RenewableUK Cymru to identify and achieve shared outcomes and provide frameworks for collaborative working with the energy sector.

2.7 We aim to provide our advice according to the Hampton principles in a reasonable, proportionate, transparent and timely way. Our internal Operational Planning Notice (OPN) guides our staff in enabling us to be proportionate and risk based. We have a number of internal mechanisms which link our work at a strategic and project level to ensure coordination and consistency in our work.

2.8 CCW's evidence to the Environment & Sustainability Committee places emphasis on the following important themes:

- The scope of energy policy and complexity of consenting arrangements.
- The importance of a policy framework to inform decisions about energy development.
- The need for a strategic approach to planning and assessing energy development.
- The importance of good evidence to inform planning and decision-making.

2.9 CCW has previously provided advice to the National Assembly for Wales Environment and Sustainability Committee inquiry into Carbon Reduction and Energy Generation in Wales in 2008<sup>2</sup> and the inquiry into Planning in Wales<sup>3</sup>. More recently we have submitted advice to the current DECC inquiry on the future of marine renewables in the UK<sup>4</sup>. Copies of CCW's submissions can be provided upon request.

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<sup>2</sup> National Assembly for Wales Sustainability Committee Inquiry into Carbon Reduction in Wales: Energy Generation Large Scale Renewable Energy Developments (13 November 2008).

<sup>3</sup> National Assembly for Wales Sustainability Committee Inquiry into Planning in Wales (September 2010).

<sup>4</sup> Energy & Climate Change Committee Inquiry: The Future of Marine Renewables in the UK (8 September 2011).

**3. Issue the Committee will consider - The role of the different consenting agencies, how they inter-relate and how the current system could be improved, both with and without further devolution.**

*CCW's interest and role in energy*

- 3.1 In our capacity as statutory advisors on environmental impacts CCW's interest in energy stems from the fact that its generation, in all its forms, leads to environmental impacts. Generating energy from fossil fuels releases carbon dioxide and other greenhouse gases, contributing to climate change. Acidification, and increasingly eutrophication, as a result of fossil fuel burning remains a major concern. Renewable energy sources, while not creating such pollution, can lead to other environmental impacts. These can take the form of changes to the landscape and seascape and, depending on the technology involved, impacts on particular habitats and species.
- 3.2 In its position statement on Energy and Natural Heritage<sup>5</sup>, CCW sets out the need for a strategically planned approach, seeking to lower overall environmental impacts of energy generation, through and in order of importance:
- demand management measures;
  - energy efficiency;
  - expanding renewable energy by getting the right technology in the right place; and
  - lowering pollution from fossil fuel generation.
- 3.3 CCW also sets out its support for initiatives which expand generation from lower carbon sources while minimising unnecessary impacts on natural heritage. To accommodate this imperative, CCW recognises that it will often be necessary to reconcile the need to accept some local impacts on our natural heritage in the short term in order to secure a lowering of emissions from energy generation, whilst ensuring that legal requirements to protect the environment are upheld.
- 3.4 In fulfilling its statutory duties in the context of energy generation CCW aims to provide clear, independent, evidence based and consistent advice to the Welsh and UK Governments, Local Planning Authorities, the Infrastructure Planning Commission (IPC), developers and others on the potential impact of strategic policy, plans and programmes and individual developments on the natural heritage of Wales. We are a statutory consultee under a number of Acts and Regulations in relation to casework and are a consultation body and relevant authority in relation to the Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) processes. Our advice is provided at both a project and plan/programme (strategic) level under these arrangements and focuses on the **impact** of a particular development or plan on interests of acknowledged importance relating upon natural heritage of Wales. Our aim is to ensure the decision making process is informed by the best available evidence and advice on the impact of proposals or plans on natural heritage.
- 3.5 There are obvious environmental issues relating to all energy developments. But these need to be put in context. Natural heritage is sometimes perceived to be the main constraint to deploying energy infrastructure, particularly onshore windfarms. In our experience the natural heritage is but one of the reasons why developments take a

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<sup>5</sup> Energy & Natural Heritage. CCW Position Statement. 2008

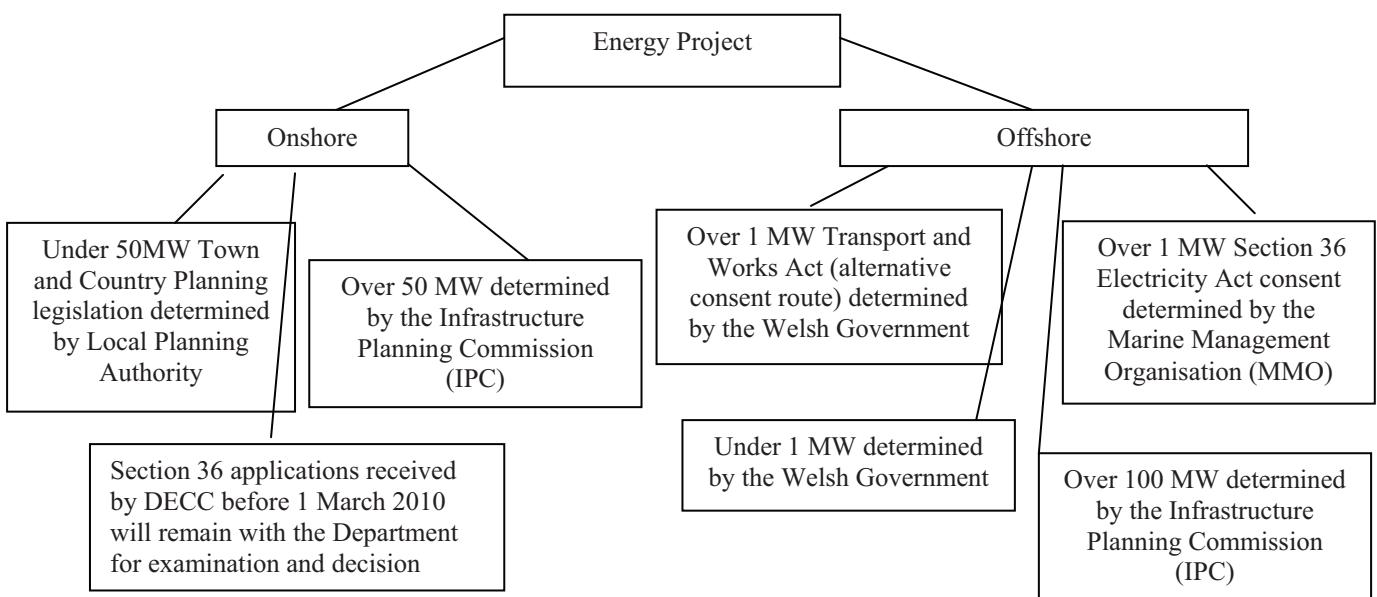


significant amount of time from conception to consent or fail to secure a development consent. Other reasons include strategic decisions taken to withdraw the project and focus on other locations or technologies, transport and highways issues, lack of finance or stakeholder issues.

**4 Committee question - What are the implications for Wales if responsibility for consenting major onshore and offshore energy infrastructure projects remains a matter that is reserved by the UK Government?**

4.1 The scope of energy related work that CCW is involved in is considerable and ranges from established sectors deployed at a large scale to smaller innovative technologies that are experimental. This includes energy related developments both on and offshore and their associated infrastructure.

4.2 In most cases energy developments require multiple consents and in some cases there may be a number of alternative consenting routes to choose from. For example an offshore windfarm over 100MW in territorial waters could be consented by Welsh Ministers under the Transport and Works Act 1992 or by the IPC depending on the consenting route chosen by the applicant<sup>6</sup> (see Figure 1).



**Figure 1: The consenting of energy developments in Wales.**

4.3 Consenting arrangements for energy are therefore complex with different legal regimes for each energy sector and a range of legal requirements to manage the effects of development on the environment and other interests. Some aspects of consenting (eg environment and town and country planning for energy and associated infrastructure are devolved) whilst others (eg most development consents for major projects) are not. There are a number of consenting authorities and advisors (both Welsh and UK) involved in consenting energy projects, and associated infrastructure in Wales which CCW engage with and provide advice to.

<sup>6</sup> Overarching National Policy Statement for Energy (EN-1) and National Policy Statement for Renewable Energy Infrastructure (EN-3) July 2011.



4.4 The planning system has a key role to play in helping ensure the environment is enhanced and safeguarded whilst supporting economic and social objectives. CCW considers that a robust regulatory regime is critical to ensure the sustainable development of energy. Interactions between planners, regulators and advisors need to be effective and **all interests (social, economic and environmental) need to be addressed irrespective of whether further energy powers are devolved or not**. Further devolution of energy powers may allow some limited simplification of consenting arrangements but more importantly may help to drive better integration of strategic planning for energy that more effectively coordinates delivery of energy policy and related infrastructure in Wales (see section 5). The success of this would depend strongly on the adequacy of resources.

4.5 Energy development can also have significant cross-border implications, especially in the marine environment. Decisions about individual projects and planning for energy at a strategic level will often require extensive interaction with planners and regulators in other parts of the UK, irrespective of the further devolution of energy powers.

4.6 Greater coordination of policy and delivery frameworks at the Wales level would help bring policy makers, regulators, advisors and developers together and ensure a coordinated approach to the delivery of energy targets across land and Welsh seas through the integration of land and marine planning. **We would welcome a Welsh Government led renewable energy delivery board or forum to work constructively to facilitate the deployment of renewable energy more effectively in Wales**. We feel this would create a ‘Team Wales’ approach to facilitating energy deployment and allow a common understanding of policy, legislation and process tackling key issues and facilitating the delivery of policy targets together.

4.7 CCW would also support a National Infrastructure Plan for Wales that better integrates the planning and consenting of energy projects with necessary ancillary infrastructure, such as transport and grid connection, whilst ensuring environmental duties and obligations are met.

**5 Committee question – How does this (the responsibility for consenting major energy projects remaining with the UK Government) affect achievement of the Welsh Government’s aspirations for various forms of renewable and low carbon energy as set out in the Energy Policy Statement?**

**5.1 Further devolution of energy powers to Wales may reduce the complexity in energy consenting, but perhaps more importantly might allow stronger integration of policy and delivery**, but again the success of this will be dependant on adequate resourcing.

5.2 The development of energy policy by a single Government administration makes the development of coordinated and effective policy more achievable. Furthermore, changes to the policy framework to adapt to changing circumstances in Wales in the future will be easier to manage if it is overseen by a single policy authority. For example, the need to adopt the approach to environmental management that is likely to be introduced by the Natural Environment Framework<sup>7</sup> will be easier to implement via a single policy framework for energy in Wales than via policy frameworks developed at the UK level.

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<sup>7</sup> The Natural Environment Framework is under development in Wales to help secure the future sustainable and integrated management of land and water by making the long term health of ecosystems and the services they

5.3 CCW is not in a position to advise on the ability of energy sectors to deliver energy generation capacity that are set out in the Welsh Government Energy Statement ‘A Low Carbon Revolution’. However, CCW believes that a clear policy and planning framework is critical to the effective delivery of energy goals whilst at the same time addressing the necessary requirements of the environment and other interests. The proposals outlined in the Welsh Government’s legislative programme for a sustainable development bill, planning bill and environment bill, the emerging Natural Environment Framework and plans associated with the implementation of the Marine and Coastal Access Act 2009 in our view provide an opportunity to implement any required changes to the current regime.

5.4 However, the capacity and expertise for delivery of energy functions (policy, management and administration) should not be underestimated. In developing a case for further devolution, care will be needed to fully scope the range of energy work undertaken to support each energy sector (ranging from small scale onshore to offshore oil and gas) to understand the full implications for WG in taking on responsibility for these areas. Any further devolution must be supported by adequate resourcing both for the decision makers but also those providing the advice and evidence and support to ensure that environmental assessment protocols and other regulatory processes are adequately resourced to meet legal requirements and support sustainable development.

**5.5 Irrespective of the further devolution of powers to Wales, maintaining strong links with policy makers and planners across the UK is necessary to ensure that the cross border and trans boundary implications of proposals are fully understood and addressed.** It is also important that experience, best practice and information about the impacts of energy related activities is shared across the UK and wider to ensure that the evidence base for informing decisions is developed as comprehensively and efficiently as possible.

**6 Committee question – What will be the impact if consenting decisions on major infrastructure projects and associated development are not all taken in accordance with Welsh planning policy?**

6.1 CCW have provided advice on the UK’s National Policy Statements and advised the Welsh Government on Planning Policy Wales, Local Development Plans and other strategic policy and planning documents. Our key, and statutory, role in this regard has been to ensure that any significant effects that development may have are addressed at the policy/planning stage to minimise risks to both the environment and to projects at the point of consent.

**6.2 CCW believes that a clear policy and planning framework is critical to the effective delivery of energy goals whilst at the same time addressing the necessary requirements of the environment and other interests.**

6.3 Energy policy needs to be integrated with the needs of other activities and uses of our natural environment, and within the policy framework that addresses these interests.

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provide central to decision making. A key component of a new approach will be to adopt an ecosystem approach underpinned by a spatial approach to identifying our green infrastructure, ecosystem goods and services, and their integration with social and economic infrastructure recognising the multifunctional use of land.

6.4 Policy for energy infrastructure in the marine environment will need to be developed within the context of the UK Marine Policy Statement and planned for within the Marine Planning Framework to be implemented under the Marine & Coastal Access Act 2009. Welsh Ministers have responsibility for developing marine plans for Welsh waters. Marine Plans are now under development and Government should consider how the development of the sector should be promoted within this new system of planning.

6.5 Many areas suitable for the deployment of renewable energy technologies also support biodiversity and habitats that are of significant nature conservation importance and that are protected by legislation which requires that significant damage or disturbance is avoided. Some of these areas also have significant landscape and recreational value which may also be sensitive.

6.6 There is therefore potential for damage to natural heritage from deployment of renewable energy infrastructure. Uncertainty about some impacts and the level of precaution required by some environmental legislation, are also challenges to decision-makers. However, experience from the deployment of developments to date, particularly onshore and offshore windfarms, has shown that a spatial approach and spatial planning can help to avoid significant impacts provided it is based on strategic assessment supported by good spatial evidence and robust research.

6.7 CCW therefore believes that strategic spatial planning for renewable energy, based on rigorous evidence and assessment, is necessary to reduce both the environmental and consenting risks associated with energy development. Development of these approaches, through for example TAN 8 and the Welsh Government Marine Renewable Energy Strategic Framework, we believe has helped to manage these risks in Wales.

**7 Issue the Committee will consider - The relationship between the UK Government's Energy National Policy Statements and Welsh national and local planning policies (including Planning Policy Wales, Technical Advice Note 8 and Local Development Plans) and whether or not these policies can achieve the Welsh Government's aspirations, including whether or not a formal review of TAN 8 is now required.**

*Technical Advice Note (TAN) 8*

7.1 CCW supported the Welsh Government in developing its strategic approach to the development of renewable energy as described in Planning Policy Wales, Technical Advice Note (TAN) 8, Planning for Renewable Energy. Our aim was then, and remains, to ensure that energy developments are located and constructed in a way that safeguards internationally and nationally acknowledged natural heritage designations. These designations are held in high regard by the Welsh Government and CCW has a statutory duty on its behalf to advise on how they can be safeguarded and promoted.

7.2 TAN 8 continues to provide a strategic national spatial process and framework for Wales to help identify positive solutions, the right type of development in the most appropriate locations, thereby helping achieve Government renewable energy targets whilst minimising impacts on the environment. We believe that the decisions to date under the current TAN 8 policy framework have led to consistent decisions, upholding the intention to concentrate development strategically in SSA's and discouraging schemes outside SSA's.

**7.3 For these reasons CCW has, and continues, to support the principles behind a strategic and spatial planning approach for the deployment of renewable energy as expressed in TAN 8.**

*UK National Policy Statements and TAN 8*

7.4 In the context of onshore windfarm development there is a clear difference, which has yet to be tested, between the spatial approach taken in Wales under TAN 8 and the criteria based UK National Policy Statements (NPS) published by DECC<sup>8</sup>. Text in the NPSs sets out UK policy against which proposals for major energy projects will be assessed and determined by the IPC in its examination of applications. In terms of the relationship with TAN 8, the NPS states that<sup>9</sup> “where a proposal is located in Wales in planning policy and advice issued by the Welsh Assembly Government relevant to renewables, will provide important information to applicants of nationally significant energy infrastructure” and that “applicants should explain in their applications to the IPC how their proposals fit with the guidance and support its targets or, alternatively, why they depart from them whether an application conforms to the guidance or the targets will not, in itself, be a reason for approving or rejecting the application”.

7.5 This situation has the potential to cause confusion for developers and presents a challenging situation for advisors like CCW. We see our role in this context as being to provide advice relating to natural heritage of Wales to ensure the decision making process is informed by the best available evidence and therefore we focus on the impacts of development proposals.

*Marine Renewable Energy Strategic Framework*

7.6 CCW would also draw the inquiry’s attention to the Marine Renewable Energy Strategic Framework (MRESF)<sup>10</sup> recently published by Welsh Government to identify the location of development opportunities alongside the potential for consenting risk as a guide to industry and policymakers. This study is an important example of the information that will be needed to support the development of the marine renewables industry, and is a useful basis upon which to promote future development in a way that allows robust consideration of the risks to the environment.

**8 Issue the Committee will consider - The potential role of other forms of energy production in Wales, eg existing fossil fuel energy generation, proposed nuclear generation and newer technologies such as coal-bed methane and shale gas.**

8.1 The delivery of energy targets has necessitated a focus on more mature technologies to meet legal delivery deadlines (eg onshore and offshore wind, nuclear). We recognise the need to promote and encourage other technologies to provide energy over longer timescales, capture extensive renewable resources or to meet particular local energy needs. The energy sector has therefore diversified considerably with the development of a range of technologies that form part of Governments desired energy mix. Technologies such as biomass, shale gas, coal bed methane (CBM), large scale solar PV arrays, wave

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<sup>8</sup> Energy National Policy Statements designated on 19th July 2011.

<sup>9</sup> National Policy Statement for Renewable Energy Infrastructure (EN-3) July 2011.

<sup>10</sup> Marine Renewable Energy Strategic Framework. Approach to Sustainable Development. Report by RPS to the Welsh Assembly Government (2011).

energy and tidal stream and tidal range are developing and, in some cases, are beginning to be deployed.

8.2 Newer technologies present different challenges and although some of the newer technologies are deployed at smaller scale as demonstrations or to provide local energy solutions, the impacts are often uncertain. The uncertainty about some impacts and the level of precaution required by some environmental legislation, present challenges to advisors and decision makers, but despite this it is possible to deploy in sensitive areas under some circumstances. However, because energy technologies are new and evolving, questions remain about the potential implications for the environment especially where deployments are at a large scale.

8.3 To better understand the environmental risks associated with new technologies CCW believes there is a need to:

- maximise and disseminate widely the learning from deployed demonstrator scale projects to help confirm or eliminate key impacts and begin to address issues associated with larger deployments;
- improve the baseline data that characterises our natural heritage resources that are most likely to be at risk from the development of newer technologies; and
- develop a strategic and coordinated programme of environmental research similar to that established for early offshore wind farm development under the Crown Estate COWRIE program.

## 9 Implications for statutory advisors

9.1 The growth of energy work has significant resource implications for those who advise Government and others about the effects of development, including CCW. Furthermore, uncertainty about impacts can also present challenges to those who advise Government and regulators about their effects at both at both strategic and project levels. Small scale renewables like small scale hydro, solar and wave and tidal stream can have disproportionate resource implications for CCW.

9.2 We think there is a capacity issue in Wales now, irrespective of the further devolution of powers to Wales. Table 1 shows the increase CCW has seen in energy related casework. These figures relate to about 700 individual development proposals which involve many different types of regulatory consent associated with energy development.

**Table 1: Number of energy related consultations received by CCW by financial year.**

Financial Year	2007/08 (5 months)	2008 / 2009	2009 / 2010	2010 / 2011	April/May 2011
No. Energy Consultations	91	302	267	475	57

9.3 We are currently engaged with 15 IPC projects. Meeting statutory deadlines in relation to individual IPC proposals, and developer expectation, is challenging. As yet CCW have not been involved in a project which has been examined by the IPC but it is anticipated



that examination process by a panel of Commissioners will require significant CCW resources.

9.4 In addition to formal statutory consultation by regulators on scoping and application stage of projects, CCW provides significant advice to developers and regulators at intervening points. Developers seek advice from CCW at face to face meetings or by correspondence to scope proposals and agree the detail of mitigation, also on the application of monitoring and mitigation conditions once consent has been issued.

9.5 Should there be further devolution of energy powers to Wales it is important to recognise that this is likely to increase, rather than reduce, the work load for advisors like CCW. We believe there would be an increase the advice which would need to be provided to Welsh Government and Local Planning Authorities but at the same time there would be a need to maintain a UK presence and our links to Europe and wider. We believe a Welsh Government led renewable energy delivery board or forum to work constructively to facilitate the deployment of renewable energy more effectively in Wales (see section 4) and adequate resourcing of the deployment of energy would help address this situation.

## **10 Conclusions**

10.1 CCW encourages early engagement with developers to find positive solutions to get the right development in the right place and at a project level to identify, mitigate and resolve environmental issues. Our advice focuses on the impact of a particular development or plan on interests of acknowledged importance relating to natural heritage of Wales to ensure the decision making process is informed by the best available evidence.

10.2 A clear policy and planning framework is critical to the effective delivery of energy goals whilst at the same time addressing the necessary requirements of the environment and other interests. Further devolution of energy powers might allow some limited simplification of consenting arrangements but more importantly may help to drive better integration of strategic planning for energy, facilitate more effectively coordination of delivery of energy policy in Wales and allow integration with the needs of other activities and uses of our natural environment across land and Welsh seas. This would also make it easier to implement the approach to environmental management that is likely to be introduced by the Natural Environment Framework.

10.3 Irrespective of the further devolution of powers to Wales, maintaining strong links with policy makers and planners across the UK and further a field is necessary to ensure that the cross border and transboundary implications of proposals are fully understood and addressed and ensure that best practice, experience and information about the impacts of energy related activities is shared to ensure that the evidence base for informing decisions is developed as comprehensively and efficiently as possible.

## Environment and Sustainability Committee

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Meeting Venue: **Committee Room 3 – Senedd**

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Meeting date: **Thursday, 3 November 2011**

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Meeting time: **09:40 – 12:00**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



This meeting can be viewed on Senedd TV at:

[http://www.senedd.tv/archiveplayer.jsf?v=en\\_400000\\_03\\_11\\_2011&t=0&l=en](http://www.senedd.tv/archiveplayer.jsf?v=en_400000_03_11_2011&t=0&l=en)

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### Concise Minutes:

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#### Assembly Members:

**Dafydd Elis-Thomas (Chair)**  
**Mick Antoniw**  
**Rebecca Evans**  
**Russell George**  
**Vaughan Gething**  
**Llyr Huws Gruffydd**  
**Julie James**  
**William Powell**  
**David Rees**

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#### Witnesses:

**Sam Peacock, SSE**  
**Wayne Cranstone, npower renewables**  
**Simon Wells, RWE npower**  
**Janice McLaughlin, Scottish Power Renewables**  
**Colin Taylor, Scottish Power Energy Networks**  
**Steve Knight-Gregson, National Grid**

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#### Committee Staff:

**Virginia Hawkins (Clerk)**  
**Catherine Hunt (Deputy Clerk)**  
**Graham Winter (Researcher)**

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### **1. Introductions, apologies and substitutions**

1.1 There were no apologies or substitutions.

### **2. Inquiry into energy policy and planning in Wales – Evidence from energy companies – Consideration of renewable energy**

2.1 The witnesses responded to questions from members of the Committee on energy policy and planning in Wales.

2.2 Mr Peacock agreed to provide an update on the Abernedd power station Baglan, details of sites for developing marine and tidal power in Wales.

2.3 Ms McLaughlin agreed to provide details of different models of community benefits offered by Scottish Power.

2.4 The Committee asked if a draft of the transport management plans could be shared with them when available.

### **3. Inquiry into energy policy and planning in Wales – Evidence from energy companies and National Grid – Consideration of network and grid issues**

3.1 The witnesses responded to questions from members of the Committee on energy policy and planning in Wales.

3.2 Mr Gregson agreed to provide a note on the capacity of the grid in south Wales to handle current and future power generation and on the number of consenting bodies for developments in Wales.

#### **TRANSCRIPT**

View the [meeting transcript](#).





**John Griffiths AC /AM**  
**Gweinidog yr Amgylchedd a Datblygu Cynaliadwy**  
**Minister for Environment and Sustainable Development**

Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref SF/JG/6114/11  
Dafydd Elis Thomas

Chair of the Environment and Sustainability Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

3 November 2011

Annwyl Dafydd,

Thank you for your letter of the 25 October raising a number of issues for my consideration following the Environment and Sustainability Committee meeting on 19 October on the scrutiny of my draft budget proposals for 2012/13. I have carefully considered the points raised and offer the following comments for your consideration.

## **Bovine TB**

As you have highlighted in your letter, the levels of bovine TB and the amounts spent on compensation in previous years have indeed informed budget allocations. I agree with your concerns that the unpredictable nature of bovine TB means that it is difficult to rely on these factors alone. Other factors, including the number and value of individual animals slaughtered for TB as well as the level of salvage receipts, will also have a significant bearing on overall expenditure.

My officials and I will continue to monitor these payments closely, alongside any opportunities to establish cover for potential payments in excess of the budget allocation from within my MEG, whilst still maintaining funding to meet all of my other priorities.

## **Planning**

I note your comments regarding the resources being made available to local planning authorities. Reductions in the planning budget are being managed through greater efficiencies in the Planning Inspectorate in Wales, and by more targeted support for local planning authorities, including continued funding for authorities handling complex planning applications.

In 2010-11, the Welsh Government provided additional funding for the latter amounting to £214,000. For 2011-12 funding of up to £250,000 has been allocated, to support those authorities determining such complex renewable energy and waste treatment planning applications, or major wind farm applications to be considered by the Infrastructure Planning Commission and its successor.

## **A Single Environment Body (SEB)**

The Invest to Save bid made in respect of the single environment body relates to IT set up costs and will not in itself incur additional costs. While the bid will not exclusively fund all additional set up any shortfall will be made up from the Natural Environment Restructuring budget. This budget which equates to £13 million from 2012/13 onwards is not an invest to save bid. It is a budget to support the development of the Natural Environment Framework and the single environment body.

The SEB business case under preparation, will take into account the impact of its possible consultee role. The legislative proposals that emerge through the implementation of the Natural Environment Framework will be subject to consultation and any costs implications for the Single Environment Body will be given careful consideration.

The business case for the proposed merging of these delivery bodies into a Single Environment Body is due to be finalised shortly. I will be looking for any changes to deliver both efficiency and effectiveness. Streamlining, together with a new approach to improved processes will be pivotal in evaluating and approving any recommendations resulting from the business case.

## **Budget adjustments and Capacity Issues**

I agree with your comments regarding closely monitoring budget lines and ensuring transparency around any adjustments. I will be setting up regular monitoring meetings with my officials during the year to do just this, and of course I will ensure that all decisions around the draft and supplementary budgets are transparent.

The development of legislative proposals within my portfolio will be undertaken using existing provision and staff resources within the Department and will of course be monitored closely. In particular, the work funded under the Natural Environment Framework budget will help to inform the development of proposals for an Environment Bill. We may need to reprioritise budgets in light of the work being undertaken to develop these legislative proposals.

Resources have also been allocated for building regulations identified in the Programme for Government up to the end of May 2012. We are aware of the need to ensure continuing sufficient legal capacity to support the new function and the development of the regulations generally thereafter.

## **Fuel Poverty**

As I outlined to the Committee, the budget for fuel poverty programmes has been protected in cash terms despite the very significant cuts in capital funding that this Department has taken. I have also been proactive in looking for additional sources of funding. My Department, with colleagues from Regeneration and Housing have led on the development of the Arbed 2 programme funded through the European Regional Development fund.

With match funding from each Department, the programme will invest £45m in the most energy inefficient homes in some of the poorest parts of Wales over the next three years. This investment will help tackle fuel poverty and create job and business opportunities in Wales. We are also developing proposals for a Centrally Retained Capital fund bid for a further expansion of Arbed.

My Department is also working with their counterparts in the Department for Energy and Climate Change to ensure that people in Wales can maximise the benefit they receive from the new Energy Company Obligation (ECO) and the Green Deal.

### **Scrutiny of Wind Farm Receipts into the Consolidated Fund**

With regards to the treatment of receipts from wind farm schemes on Forestry Commission managed land, the Government of Wales act provides that all receipts are directed to the Welsh Consolidated Fund unless otherwise directed by a budget motion. The majority of Welsh Government receipts – including wind farm receipts from the Forestry Commission - are retained by Welsh Ministers, rather than paid into the Consolidated Fund. All retained receipts are detailed in our budget motions.

In the case of the wind farm schemes, the receipts are managed as part of our in year budget process due to the potential volatility of the income stream. Wind farm receipts are therefore detailed in the relevant supplementary budget.

### **Sustainability Impact Assessments**

Sustainability runs through all our work as a central organising principle, and as I stated at the meeting on the 19 October consideration of the impact on sustainable development has been mainstreamed into all aspects of the budget planning process, and is ultimately, therefore, reflected in the budget proposals that we have published.

I am however, keen to develop sustainability impact assessments and my officials are already discussing methods by which such assessments will work in practice going forward along with any potential impacts on budget proposals.

### **Equality Impact Assessments**

I note your concerns that no equality impact assessments were carried out for the 2012/13 draft budgets. Comprehensive equality impact assessments were conducted on the former Department for Environment, Sustainability and Housing when the spending plans for 2011-12 to 2013-14 were set in last year's Budget. Careful consideration was given in the budget allocation process to the importance of safeguarding frontline services, to potential equality impacts and to the need to promote social justice generally.

As there were no significant changes to the 2012-13 budget from last year's final budget, no Equality Impact Assessments were required. However I am committed to ensuring that equality, inclusion and human rights are mainstreamed into policy making and delivery.

### **Further Information**

#### Procurement Arrangements for anaerobic digesters

The aim of the anaerobic digestion (AD) programme is to support local authorities deliver sufficient food-waste treatment capacity to help meet EU Landfill Diversion targets and statutory Welsh Government recycling targets.

The programme currently has seven projects in different stages of procurement. The procurements are primarily being undertaken through local authority "hubs" - strategic regional partnerships - with two single authority projects. The two most advanced projects - North East Wales and Prosiect GwyrAD - are expected to award contracts over the next 2-3 months. Four of the remaining projects are finalising detailed dialogue negotiations and working towards final tender stage. Cardiff has recently undergone scrutiny of its outline business case and is working towards publishing its OJEU notice.

Significant economies of scale and public value are being achieved through facilitating the close collaboration of local authorities and partnership working between the Welsh Local Government Association, local authorities and across Welsh Government departments. Financial savings alone amount to some £30m to date compared to the all-Wales reference solution and further savings are anticipated as procurements close.

The Detailed Business Case for the formation of the Single Environment Body

I will ensure that you receive a copy of the completed detailed business case which is due for completion late autumn.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John', is positioned below the text 'Yours sincerely'.

**John Griffiths AC / AM**

Gweinidog yr Amgylchedd a Datblygu Cynaliadwy  
Minister for Environment and Sustainable Development

## Environment and Sustainability Committee

E&S(4)-09-11 paper 5

### **Inquiry into energy policy and planning in Wales – Response from the Business, Enterprise, Technology and Science Energy & Environment Sector Team**

The Energy and Environment Sector, defined within 'Economic Renewal: a New Direction' as being one of six key sectors of importance to Wales, experienced the highest growth of any sector in Wales between 2005–2008. Apart from its importance to the economy in terms of creating jobs and contributing to GDP, the sector also plays a vital enabling role to other industrial sectors, and is being given increasing importance at a national and European level through concerns regarding climate change, energy supply and energy security.

Our Sector approach is built around the premise that placing Wales at the forefront of the transition to a low carbon low waste economy will present Welsh companies with the opportunity to gain competitive advantage and benefit from growing indigenous and international markets. To this end the Energy and Environment Sector team, under the direction of its private sector panel, is constructing a programme of actions to exploit the economic opportunities associated with the following sectors:

- New enterprise (this includes smart grid, micro-generation and electrification of transport);
- Renewable energy;
- Environmental goods and services;
- Energy Intensive Users;
- Large generation and decarbonisation.

The Energy & Environment Sector Panel has identified 'Money, Grid and Consent' as the three primary enablers for attracting and developing energy projects in Wales – therefore planning and associated regulatory frameworks are absolutely key.

To put the sector into perspective, Gwynt y Mor is one of the largest off shore wind farms under construction in the world with an installed capacity of 576 megawatts. It is a £2 billion investment that will bring £20 million directly to the local communities of the North Wales coast over the lifetime of the project in addition to £2.2million of local contracts during construction, plus sustainable employment during operation. Wylfa nuclear new build would be a bigger investment for the UK than the 2012 Olympics.

The reason that Wales is able to attract such notable renewable energy projects is that we have abundant natural resources giving the country the potential to develop a reputation for excellence in low carbon energy. However, the Panel has clearly articulated that the present system, and particularly the way that it is administered, projects the view that Wales is a difficult place to do business resulting in the country losing out on the location of major energy investments and demonstrator projects to other regions, and in particular Scotland.

The Panel's primary concern is to create a simplified and streamlined process of regulation and consents that delivers a speedy response, be that 'yes' or 'no'. In order to attract investment into Wales which creates long term, sustainable employment and wealth generation, administration of this system must deliver consistent decisions, accountability of decision makers, be based on a long term and stable policy to provide a level of certainty for business and help mitigate risk for investors. The form that this takes, ie, whether power resides in Wales or at UK level, is of secondary importance. This attitude also extends to the question of establishing a single environmental body. But in both cases the Panel strongly advises that industry advice and consultation should be central, and that there should be business representation on the Single Environmental Body project board.

The Panel believes there is a vital need for senior and high level coordination and collaboration on large infrastructure in support of the sector. It recommends the establishment of a high level enabling group between WG and industry to deal with infrastructure and regulation issues, and has discussed the possible need for a Welsh Renewables Advisory Board, citing the success of the SRF in Scotland.

The approach that is being taken to progress 'Energy Island' has been praised by the Sector Panel because it seeks to bring together the policy issues, the consent issues, and the local issues in order to try to address them holistically and jointly with local planning authorities and central authorities, looking at the whole lifecycle of the project.

The designation of Enterprise Zones, and in particular sector specific EZ, has been identified by Panel as potentially providing a boost for priority sectors, particularly if associated with streamlined planning processes and financial interventions. Such an initiative, if it is fleshed out with tangible benefits to business, would send out a positive message that Wales is 'open for business', and could attract additional funding such as through involvement in Technology Strategy Board's Technology Innovation Centres.

Specific recommendations:

### **TARGETS**

- Recommend to the WG that targets contained in Planning Policy Wales are adopted as firm binding targets that will form material considerations when determining planning applications for renewable energy projects.
- Capacity targets for onshore wind both within and outside the SSA's should be confirmed.
- The targets should be amended to reflect the fact that the Severn Barrage is aspirational and will not contribute towards these targets within the plan period.
- The WG should increase the targets for renewable energy for 2022 and adopt a target for 2030
- The WG should appoint an individual at Ministerial level who is responsible for delivering the binding targets. The individual should report on progress made towards achieving the binding targets on an annual basis and where there is a shortfall recommend measures to bridge the shortfall.

### **PRIMACY IN DECISION MAKING**

- There should be a presumption in favour of community based schemes (schemes with at least 5% community ownership) with an installed capacity up to 25 MW outside TAN 8 SSA's.
- The Economic benefit accruing from all energy developments should be given more weight as a material consideration in the planning process.
- PV development on roof space above commercial properties should be given deemed consent
- Local planning authorities should produce positive policies in their Local Development Plans which have a presumption in favour of low carbon development that makes a contribution towards Welsh Government targets. Where LDPs have already been produced, the local planning authorities should produce Interim Planning Guidance to demonstrate the role that will be taken to ensure that national targets are met.

### **PROCESS**

- Statutory and non-statutory consultees should be required to provide comprehensive, consistent and timely responses to consultations on planning applications for energy projects (2 months). This includes CCW, The Environment Agency, the relevant Highways Authority and all Highway Agencies.
- In order to bridge the gap between WG planning and energy policy and the policies of local planning authorities, it is proposed that regional planning be used to help aid delivery of low carbon development. The revision to the Wales Spatial Plan could be a useful starting point for this exercise.

### **INFRASTRUCTURE**

- The WG should establish a firm policy in relation to the Electrical Grid infrastructure required for the development of low carbon technologies, including offshore wind, onshore wind in mid and north Wales TAN 8 areas and Wylfa B. This policy should be derived within a 12 month period and include consultations with key stakeholders.

### **STAKEHOLDER ENGAGEMENT**

- Channel the views of business in respect of Welsh and UK policy development including the proposed merger of CCW, EAW and FCW and discussions regarding the further devolution of power for consents >50MW.
- Facilitate availability of better information about the regulatory process and push for better public understanding (and quality of debate) of the issues.

The E&E Sector Panel Chair, Kevin McCullough would like to take the opportunity to present oral evidence to the E&S Committee.