

Senedd Cymru
Y Pwyllgor Newid Hinsawdd, Amgylchedd a
Materion Gwledig
Craffu ar Fframwaith Datblygu Cenedlaethol
Cymru
CCERA(5) NDF(v2) 17
Ymateb gan RWE Renewables UK Ltd

Welsh Parliament
Climate Change, Environment and Rural Affairs
Committee
National Development Framework for Wales
CCERA(5) NDF(v2) 17
Evidence from RWE Renewables UK Ltd



Response to the Climate Change, Environment and Rural Affairs (CCERA) Committee on the Welsh Government's latest iteration of the National Development Framework / Future Wales: The National Plan 2040

On 1 July 2020, RWE concluded its major asset swap with E.ON, which involved the integration of innogy Renewables in the UK. This established RWE as one of the UK's, and the world's, leading producers of renewable energy. We now stand as the world's second largest offshore wind developer and third largest provider of renewable electricity across Europe.

In the UK, this reinforces our existing position as a major energy player. We now employ over 2,600 people and generate over 10% of the UK's electricity needs - enough power for over 10 million homes, with a diverse portfolio of onshore and offshore wind, hydro, biomass and gas across the UK, including over 2.6GW across 11 sites in Wales (see attached RWE UK Infographic). RWE has made ambitious commitments to increase the generation of clean, reliable and affordable electricity. Alongside the ambition to be carbon neutral by 2040, we continue to invest heavily in wind power and other emerging technologies, such as hydrogen and floating offshore wind. RWE's planned gross growth capex spend 2020-2022 will be €8-9bn globally, of which around 30-35% will be in the UK, mostly on offshore wind.

We have set our sights high, envisaging RWE will play a key role in developing the energy world of tomorrow and driving progress towards the UK's net-zero ambitions.

Context

RWE Renewables UK Limited: Registered in England and Wales no. 03758404
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Renewables Management UK Limited:** Registered in England and Wales no. 12087808 Registered Office:
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I previously submitted evidence on the draft NDF (August 2019 version) to the CCERA Committee as a representative of innogy Renewables UK Ltd (as noted above, now integrated into RWE).

RWE welcomes the Welsh Government's continued positive approach to renewable energy and the efforts made to reflect this in the narrative and policies of the National Development Framework (September 2020), also referred to as Future Wales: The National Plan 2040 (hereinafter referred to as 'Future Wales'). RWE also supports the Welsh Government's recognition that renewable energy is a key part of the commitment to decarbonisation and tackling the causes of climate change. However, it is critical that Wales continues to have secure and reliable supplies of electricity throughout the transition to a low carbon economy, whilst also replacing existing power plants due for closure. To manage the risks to achieving security of supply, sufficient electricity capacity (including a greater proportion of low carbon generation) is required to meet demand, and this requires a diverse mix of technologies and fuels.

The UK Committee on Climate Change (UKCCC) states that *“Renewable generation could be four times today's levels, requiring a sustained and increased build out between now and 2050, complemented by firm low-carbon power options such as nuclear power and carbon capture and storage (applied to biomass or gas-fired plants)”*¹. Encouraging renewable and low carbon energy is only a small part of the wider decarbonisation agenda and it is therefore disappointing that other forms of energy generation (for example, gas and biomass) are not mentioned in Future Wales. Although many such schemes will not be devolved to Wales (i.e. those >350MW), it may have been appropriate to deal with them in the same way as nuclear and offshore wind (i.e. in principle support) which are also not, on the whole, within the remit of Future Wales.

Response

The views below are expressed against the chapters and headings as set out in the latest iteration of Future Wales. For ease of reference, it would be useful if the final adopted version could include paragraph numbers.

Chapter 1: Introduction

RWE welcomes the inclusion of a new paragraph setting out the challenges, including the climate emergency, and the role of Future Wales as a lever in delivering change in the face of these challenges.

¹ UK Committee on Climate Change (May 2019) Net Zero: The UK's contribution to stopping global warming

Although there is recognition of Future Wales as “*the highest tier of development plan*”, it is disappointing that its status as the primary development plan against which developments of national significance (DNS) (especially renewable energy projects) will be determined is not explicitly stated. Whilst it may be appropriate for Future Wales to be “*built on*” by Strategic Development Plans (SDPs) at a regional level and Local Development Plans (LDPs) at local authority level for some types of developments, this approach is not appropriate for onshore wind proposals for which Future Wales sets out clear and detailed policies (17 and 18). Despite a requirement to be “*in conformity*” with Future Wales, ‘passing the buck’ to regional and local levels to “*identify the location of new infrastructure and development*” runs the risk that the ambitions in Future Wales for renewable energy, and onshore wind in particular, will be significantly diluted, and potentially undermined, by lower tier plans.

The introduction should include a clear and unequivocal statement that Future Wales is the highest tier of development plan for DNS proposals, and where there is a conflict with SDPs and/ or LDPs, Future Wales takes precedence and is afforded greater weight in the decision-making process.

Chapter 1: Integrated Sustainability Plan

The discussion on Habitats Regulations Assessment is not in accordance with legislation or the more detailed advice on Natura 2000 sites set in Technical Advice Note 5: Nature Conservation and Planning (September 2009) (TAN5). European designated sites (Special Protection Areas (SPA), Special Areas of Conservation (SAC), and proposed or candidate SPAs / SACs) and Ramsar sites are collectively known as ‘Natura 2000 sites’. Future Wales states that “*development at the lower-tier plan or project stage will need to demonstrate there are no adverse effects on the features for which a Natura 2000 site has been designated, and Future Wales does not support lower-tier plans or projects where this is not concluded*” [emphasis added].

Contrary to the commentary in Future Wales, there are provisions in legislation to allow the adoption of lower-tier plans and/ or grant of permission for projects which have an adverse effect on the integrity of Natura 2000 sites, where there are “*imperative reasons of overriding public interest*” (IROPI). ‘Assessment of IROPI’ is the final of four stages in a rigorous Habitats Regulations Assessment (HRA) process following Stage 1 ‘Screening’, Stage 2 ‘Appropriate Assessment’, and Stage 3 ‘Assessment of Alternatives’. It is extremely rare for a plan or project which has an adverse effect on the integrity of a Natura 2000 site to be adopted or granted permission, however legislation does make provision for this “*in exceptional circumstances*” and this should be reflected in the wording Future Wales.

For the avoidance of doubt, the commentary on Habitats Regulations Assessment (HRA) should be amended to align with current legislation and TAN5. I make this

point to highlight the lack of consistency between Future Wales and the legislation currently in force, and to ask that the Welsh Government seek legal advice on this position prior to finalising the wording in Future Wales.

Chapter 1: Future Wales and...National Natural Resources Policy

In the context of addressing the climate emergency, RWE welcomes the inclusion of a specific reference to policy that will *“facilitate the decarbonisation of the economy, including energy...”*.

Chapter 1: Future Wales and...Welsh National Marine Plan

RWE welcomes the inclusion of a paragraph on co-ordination between marine and terrestrial planning and a specific reference to *“energy generation”* in that context. Also welcomed is the confirmation, in the Renewable Energy section, of the Welsh Government’s support for the onshore development aspects of offshore schemes .

Chapter 1: The structure of the Welsh planning system

RWE welcomes recognition that the three tiers of the development plan (Future Wales, SDPs, LDPs) *“should be aligned and complement each other”* and that SDPs and LDPs are required to be *“in conformity”* with Future Wales. There is however concern around the statement that planning decisions *“at every level of the planning system in Wales must be taken in accordance with the development plan as a whole”* . As Future Wales is heavily tilted towards influencing lower-tier strategic and local level plans, the point on Future Wales being the primary development plan against which DNS applications are assessed is largely overlooked.

Although it is appropriate that Future Wales *“does not seek to take decisions that are most appropriately taken at the regional or local level”* , there should be an explicit reference to the national level being the ‘appropriate’ level for taking decisions on DNS proposals where Future Wales **does** set the strategic direction, as well as the detailed policies, for certain DNS proposals (notably, renewable energy).

Chapter 2 Wales: An Overview: Climate Change

RWE welcomes the increased emphasis on climate change and the challenges facing the nation, particularly delivering a decarbonised and resilient Wales.

Chapter 2 Wales: An Overview: Low Carbon Economy and Renewable Energy

RWE welcomes recognition of the contribution that the low carbon economy makes to Wales’ economic prosperity as well as the continued *“support for both large and*

community scaled projects” and the commitment to “ensuring the planning system provides a strong lead for renewable energy development” .

Chapter 3 Setting and Achieving Our Ambitions: The Future Wales Outcomes

RWE welcomes the retention of “A Wales where people live in places which are decarbonised and climate-resilient” as a Future Wales Outcome and the opportunities that brings for the economy, transport, public health and jobs.

Chapter 3 Setting and Achieving Our Ambitions: The First Review: How will we know if Future Wales has been successful?

RWE agrees that Future Wales needs to have a review process whereby its performance is determined against a range of indicators however the ‘questions’ which will determine performance are vague. What indicators will be used to answer the questions and what targets are the Welsh Government working towards and measuring progress against? Theoretically, it would be possible to answer ‘Yes’ to all seven questions even if, in reality, very little actual progress has been made at the end of the 5 year review period.

On decarbonisation and Wales’ aspiration to be ‘net zero’ by 2050, there should be interim targets against which progress against a plan adopted in 2021 can actually be measured in 2026, 2031, etc. Rather than simply ‘supporting the delivery of renewable energy’, a more meaningful goal would be to assess progress against the Welsh Government’s current targets for renewable energy, i.e. 70% of electricity consumption to be generated from renewable energy by 2030, 1GW of renewable energy capacity to be locally owned by 2030, and for renewable energy projects to have at least an element of local ownership from 2020; or the more challenging future targets required to achieve ‘net zero’ aspirations.

Chapter 4 Strategic and Spatial Choices: Future Wales’ spatial strategy: Policy 4: Supporting Rural Communities & Policy 5: Supporting the Rural Economy (supporting text)

RWE welcomes the recognition that rural areas play a crucial role in helping decarbonise Wales by providing suitable environments for different forms of renewable energy.

Chapter 4 Strategic and Spatial Choices: Future Wales’ spatial strategy: Policy 9: Resilient Ecological Networks and Green Infrastructure

RWE welcomes recognition that safeguarding does not prohibit development. Developments, including renewable energy schemes, already deliver net benefits for

biodiversity on operational schemes, including RWE's existing portfolio of operations sites as well as very significant potential future benefits associated with its pipeline of development projects (especially in the context of the Welsh Government's biodiversity 'net benefits' requirements).

Chapter 4 Strategic and Spatial Choices: Future Wales' spatial strategy: Travelling in Wales: Transition to low emission vehicles

RWE welcomes additional text on the Welsh Government's support for the *"necessary investment in charging infrastructure"* required to embrace the adoption of electric vehicles, as well as the link to *"an increase in generation of renewable energy to support the increased demand for electricity"*. The commitment to work with network operators and supporting innovation in hydrogen is also welcomed.

Chapter 4 Strategic and Spatial Choices: Future Wales' spatial strategy: Policy 15: National Forest

There is insufficient detail to properly comment on policy 15 and it is not clear how the safeguarding of locations for the national forest will work in practice and interact with development proposals. Experience shows that renewable energy developments, including onshore wind, are perfectly compatible with forestry, as is demonstrated by RWE's wind farms at Brechfa Forest West and Clocaenog Forest, as well as those operated by other companies across Wales. Where developments can assist in delivering the Welsh Government's ambitions for a national forest, these projects should be supported with commitments to afforestation secured via conditions and/or legal agreements.

Chapter 4 Strategic and Spatial Choices: Future Wales' spatial strategy: Policies 17 and 18 Renewable and Low Carbon Energy and Associated Infrastructure / Developments of National Significance

For the most part, re-drafted policies 17 & 18 offer greater clarity and confidence in relation to large scale onshore wind projects. RWE welcomes the abandonment of the 'traffic light' approach to large scale renewable energy projects as promoted in the consultation draft of the NDF. The approach of setting out 'in principle' support for renewable and low carbon energy and associated infrastructure in Policy 17 followed by a more detailed criteria-based approach outlined in the new Policy 18 is welcomed.

Whilst a spatial approach for solar has been abandoned, it is disappointing that the spatial approach for onshore wind has been retained, especially considering the weight of evidence presented to the Welsh Government by industry on this matter in response to the consultation draft of the NDF. To reiterate this point, RenewableUK Cymru's analysis concluded that only ~5% of the total area is suitable for onshore wind

and theoretically deliverable once suitable constraints are applied and operational wind farms have been excluded – and the actual potential is far lower than this. Furthermore, in some cases, the areas are only likely to be suitable for <10MW (i.e. non-DNS) projects and won't therefore be assessed against the NDF.

RWE remains of the view that spatial limits are inappropriate constraints on the ability of industry to bring forward projects, especially in the context of the established need for renewable energy projects and the need to accelerate decarbonisation in the context of the climate emergency. Despite changing energy priority areas to 'pre-assessed areas' as well as excluding some areas and modifying boundaries on others, it is still highly likely that most large scale (>10MW) onshore wind projects will come forward outside the 'pre-assessed areas'.

RWE would also like to raise the following detailed points on the wording of Policy 18 in Future Wales:

- Policy 18 (criterion 2) refers to “*minimising*” the visual impact on nearby communities and individual dwellings and introduces “*acceptability*” only in the context of *cumulative* impact. All residential dwellings are undoubtedly sensitive receptors which need to be considered carefully through environmental impact assessment and design evolution, and then rigorously tested by the decision-maker. **RWE is seeking clarification regarding the Welsh Government's interpretation of the concept of a “minimal” impact as opposed to a “no unacceptable adverse” impact. A criterion which stipulates “no unacceptable adverse landscape and visual impacts” would be consistent with established planning practice to allow a balancing exercise between the benefits of a proposal and any adverse impacts on identified receptors.**
- Policy 18 (criterion 2) is the only criterion that addresses 'cumulative' considerations and this only in the context of 'visual' impact, but 'cumulative' is equally a consideration for all other topics (landscape, nature conservation, cultural heritage, transport etc). **For the avoidance of doubt, RWE are of the view that this issue should be addressed in the final wording of Future Wales, preferably via a separate criterion, to ensure cumulative impacts are considered for all relevant topics.**
- Policy 18 (criterion 3) – whilst other criteria in Policy 18 are addressed in terms of “*no unacceptable adverse impacts*”, criterion 3 (nature conservation) sets a higher threshold (i.e. “*no adverse impacts*”). The absence of the word “*unacceptable*” in criterion 3 means that the decision-maker is potentially limited in its ability to exercise judgement in the assessment of impact on nature conservation interests. Noting the point made above under 'Chapter 1: Integrated Sustainability Plan' that a higher bar is set than that which currently

exists in legislation and existing Welsh policy for 'Natura 2000 sites', RWE is seeking clarification on whether the approach in Policy 18 (criterion 3) which includes national (as well as European) nature conservation interests, is intentional. If so, this is a wholly inappropriate approach which fails to recognise that impacts may be 'adverse' but it does not necessarily follow that these would be 'unacceptable' when taken in the round and balanced against other considerations. **RWE requests that “no unacceptable adverse impact”**

be adopted for criterion 3 for it to be consistent with established planning practice to allow a balancing exercise between the benefits of a proposal and any adverse impacts on identified receptors.

- The statement that “ *The Welsh Government will use regional energy planning to identify opportunities for all types of renewable projects* ” (included in large font on page 99) requires clarification as it suggests that areas will be allocated for renewable energy development within Strategic Development Plans and/ or Local Development Plans. This approach is not appropriate for onshore wind proposals for which Future Wales sets out clear and detailed policies (17 and 18), including a spatial approach. Despite a requirement to be “in conformity” with Future Wales, ‘passing the buck’ to regional and local authority levels to “*identify the location of new infrastructure and development*” runs the risk that the ambitions in Future Wales for renewable energy, and onshore wind in particular, will be significantly diluted and potentially undermined by lower tier plans. **This sentence should be modified so that regional planning excludes >10MW onshore wind proposals which are already covered by Policies 17 and 18.**

I thank the CCERA Committee for the opportunity to comment on the latest iteration of Future Wales and trust the above points will be taken into consideration. Please do not hesitate to contact me should you require any clarification on the points raised in this response.