

Senedd Cymru
Y Pwyllgor Newid Hinsawdd, Amgylchedd a
Materion Gwledig
Craffu ar Fframwaith Datblygu Cenedlaethol
Cymru
CCERA(5) NDF(v2) 11
Ymateb gan Renewable UK Cymru (RUKC)

Welsh Parliament
Climate Change, Environment and Rural Affairs
Committee
National Development Framework for Wales
CCERA(5) NDF(v2) 11
Evidence from Renewable UK Cymru (RUKC)



Renewable UK Cymru (RUKC) is part of Renewable UK and is responsible for facilitating a renewable energy policy environment in which our members can operate, helping them grow their businesses and providing influencing and networking opportunities.

RUKC's members are building and operating our future energy system, powered by clean electricity. We bring them together to deliver that future faster, a future which is better for industry, billpayers, and the environment. Our members are business leaders, technology innovators, and expert thinkers from across Wales.

RUKC thanks the Senedd CCERA committee for providing this opportunity for organisations to feedback on the current NDF draft – 'Future Wales, The National Plan – 2040'. RUKC has prepared the following evidence submission in response to the 'Future Wales – The National Plan' working draft which was laid before The Senedd on September 21st.

Context

The Covid-19 public health emergency has had huge impact on the way people lead their lives; specifically, how they work, how they socialise and how they move within their communities and beyond.

These impacts are the subject of continuing analysis. RUKC welcomes the convening of a Welsh Government taskforce, overseen by the Counsel General, to consider Wales' green economic recovery from the pandemic.

The Energy system itself experienced significant impacts during lockdown which highlighted the future challenge of managing energy systems in a 'renewables dominated' environment.

As noted by Fatih Birol, Executive Director at the International Energy Agency, "Electricity networks are the backbone of today's power systems and they become even more important in clean energy transitions."¹

¹ Article: The coronavirus crisis reminds us that electricity is more indispensable than ever – Fatih Birol – director, IEA

Overview

Although there is recognition of Future Wales as “*the highest tier of development plan*”, its status as the primary development plan against which developments of national significance (DNS) (especially renewable energy projects) would benefit from being explicitly stated.

Key points to note in relation to Policies 17 – 18 relating to renewable energy

RUKC’s comments refer specifically to Policies 17-18 which deal with renewable energy project development.

Broadly speaking, the re-drafted policies 17 & 18 offer greater clarity and confidence to developers in relation to potential large-scale onshore wind projects.

RUKC welcomes the abandonment of the ‘traffic light’ approach which informed the planning approach to large scale renewable energy projects in the NDF’s first draft. Our members’ view was that this approach could tend towards a presumption against development (although RUKC recognises that this was perhaps not the intent).

A criteria-based approach as outlined in the new Policy 18 presents a more sympathetic interpretation of the opportunity, and feels more aligned to the stated Welsh Government policy ambition:

“In determining planning applications for renewable and low carbon energy development, decision-makers must give significant weight to the need to meet Wales’ international commitments and our target to generate 70% of consumed electricity by renewable means by 2030 in order to combat the climate emergency.”

RUKC also agrees with the separation of wind and solar technologies in the presentation of the pre-assessed areas. Broadly speaking, project footprints for these technologies along with consenting processes and challenges for grid connectivity are significantly different.

RUKC did not agree with the retention of the pre-assessed areas for large scale renewable energy projects.

Our members remain of the view that the principle of landscape change should have been acknowledged and/or accepted anywhere outside areas with national designations, subject to the satisfaction of criteria detailed in the new Policy 18.

This view is supported by the analysis that RUKC submitted in its response to the initial NDF draft.

This indicates that:

- **over half the pre-assessed areas contain no opportunity for DNS level projects once site-specific constraints are applied.**
- **Only approximately 5% of the total pre-assessed areas for onshore wind were considered as being theoretically developable² following application of standard constraints (It is likely that even this figure is optimistic because it includes areas which would not be large enough to support DNS projects - i.e. 10MWs and above)**

It is RUKC’s view that *The National Plan* should also include policies relating to all types of DNS, not just renewable energy generation projects.

² RUKC response to the National Development Framework, p.9&10

While this would have been a helpful addition, RUKC welcomes the clarification that “future iterations of Future Wales will contain additional policies for other types of Development of National Significance where needed.”³

Further points for the CCERA committee to consider in relation to Policies 16-18

- Policy 18 – Each of the stipulated criteria address these in terms of “*no unacceptable adverse impacts*” whereas 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.
- **Is the intention for nature conservation to have a different threshold from all other criteria?** *We would request that “no unacceptable adverse impact” be adopted for criterion 3 for it to be consistent with other criteria.*
- 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. Although not referred to in policy, the reference appears in the supporting text (page 97) – regarding “*minimising*” landscape & visual (L&V) impact, “*particularly*” those near “tourism receptors”.
- **We therefore seek clarification regarding Welsh Government’s interpretation of the concept of a ‘minimal’ impact as opposed to ‘no unacceptable impact’.**
- *We would also contend that it doesn’t immediately follow that a receptor is impacted. There needs to be a distinction between receptors per se (e.g. “tourism”) and receptors which are potentially sensitive to impact. A criterion which stipulates “no unacceptable adverse impact” would represent a more consistent approach.*
- RUKC would also note that cumulative impact is only mentioned in the context of L&V but is equally a consideration for all other topics (nature conservation, cultural heritage, transport etc). **What is the basis for that distinction?**
- The statement that “*The Welsh Government will use regional energy planning to identify opportunities for all types of renewable projects*” requires clarification as it suggests that areas will be allocated for renewable energy development within Strategic Development Plans. This is an approach which could result in very limited opportunities for renewable energy development being identified and would severely jeopardise the achievement of the objectives of Future Wales and Wales’ net zero obligations.

³ Future Wales – The National Plan, P.96

Further points for the CCERA committee to consider in relation to ‘Future Wales – The National Plan’ in the context of constraints on transmission and distribution networks

RUKC is aware that ‘Future Wales – The National Plan’ sets the high-level basis upon which Wales considers planning matters for infrastructure using a spatial approach.

It well understands that this is not an energy policy document, since this competence resides within the relevant portfolio.

However, RUKC members remain extremely concerned regarding constraints on the grid for connecting new large scale on and offshore renewable energy projects and how these are considered.

Wales remains committed through legislation to deliver its netzero obligation. This is likely to require strengthening and adaptation of existing energy networks. As the Minister for Environment, Energy and Rural Affairs noted during recent questions in plenary:

“Networks in Wales are remarkably resilient. Since 2010, 2.4 GW of new renewable capacity has been connected to the existing grid. However, we will need new infrastructure to achieve our ambitious decarbonisation targets. The UK Government dictates the ability to build new grid infrastructure through price controls, currently being reviewed by Ofgem.”⁴

As also noted by the Minister for Housing and Local Government during CCERA committee scrutiny on October 15th:

“You’ll know how bad the Grid is in Mid Wales. It isn’t great North and South either”⁵

This is of concern to RUKC for several reasons:

1 – Networks in Wales are **not** resilient. Projects are unable to connect now, are subject to prohibitive cost for grid consenting, or subject to connection offers which are many years in the future.

2 - In its current iteration, the National Plan contains several references to co-ordinating action to address grid capacity issues. It does not (as RUKC understands), contemplate an associated presumption in favour of associated infrastructure development (up to 132KV).

3 - RUK does not have confidence that Ofgem’s current iteration of its RIIO2 plan will deliver the levels of green infrastructure investment required to deliver netzero.

4 – Welsh Government is seeking to heat and power all new homes from clean energy sources by 2025. This will necessitate “phasing out the use of high-carbon fossil fuels and moving to cleaner ways to heat our homes through the introduction of low carbon heating and energy generation, such as renewable energy sources (photovoltaic panels), heat pumps or district heat networks.” **This places additional importance on the development of grid resilience and capacity.**

5 – Welsh Government has also acknowledged the likely impact of the electrification of transport on Grid: *“The planned large-scale uptake of electric vehicles will place pressures on the electricity grid in Wales; we will work with the energy sector to plan for this. We will also support innovative actions to test and promote smart charging, renewable energy, energy storage and local energy network linked*

⁴ record.assembly.wales/WrittenQuestion/80932

⁵ CCERA scrutiny session with Minister for Housing and Local Government, October 15th

to electric vehicles.”⁶ It is critical therefore that Welsh Government sets out its plans for these issues and describes how power networks will need adapt to support this transition.

These concerns are supported by other recent reports published in the intervening period between the NDF’s first and second drafts:

National Grid ESO’s Future Energy Scenarios 2020 outlook notes that in energy investment terms, 2050 is “just around the corner.” It also predicts a possible doubling of demand for electricity by 2050.⁷

Scottish Power Energy Networks also published its scenario-based report for its 2050 outlook in April 2020. It notes that, absent the potential benefit of smart and vehicle to grid (V2G) charging, EV charging alone could account for an additional 727MW to its peak demand volumes⁸

As also noted by the Economy, Skills and Infrastructure committee of the Welsh Parliament in July 2020:

“The Welsh Government should outline for the Committee what consideration it is giving to energy and grid capacity issues for running fully electric vehicle fleets in Wales and how is it building that into the Welsh planning system, and to provide assurances about its sustainability plans for managing the procurement and circular recycling of electric batteries.”⁹

The UK CCC published its annual report to Parliament in June 2020. Among its six key recommendations were that “**Energy networks must be strengthened** for the net-zero energy transformation to support electrification of transport and heating. Government has the regulatory tools to bring forward private sector investment.”¹⁰

Questions in relation to grid capacity in the context of ‘Future Wales – The National Plan’

- **What is meant by ‘transition towards a multi-vector grid network’¹¹ and how does Welsh Government anticipate that this will happen?**
- **What is meant by reference to ‘reduce the barriers to implementation of new grid infrastructure’¹² ?**
- The draft National Plan states ‘The Welsh Government will use its policy levers to assist in the delivery of renewable energy projects in these areas by co-ordinating strategic action to build the case for new or reinforced grid infrastructure where necessary’¹³.
- **Does this relate to Wales generally, or only to the Pre-Assessed Areas where there is very little opportunity?**
- **Also, does Welsh Government consider that it needs to ‘lead’ strategic action rather than merely ‘co-ordinate’ it?**
- RUKC notes support for ‘Regional energy planning’ “to identify opportunities for all types of renewable projects.”¹⁴ **Can Welsh Government clarify how it plans to square the requirement for nationally strategic investments with a planning environment which prioritises support for regional energy planning?**

⁶ Welsh Government, Prosperity for all, p.106

⁷ FES in 5 online, P.20-21, Consumer Transformation scenario

⁸ SPEN DFES, April 2020, Key findings, P.15

⁹ Decarbonisation of transport, Economy, Skills, an Infrastructure committee, July 2020

¹⁰ UK CCC press release, COVID-19 can be an historic turning point in tackling the global climate crisis

¹¹ Future Wales – The National Plan – working draft p.95

¹² Ibid, P.95

¹³ Ibid, p.97

¹⁴ Ibid, p.99