



Grŵp Trawsbleidiol
ar Ynni Cynaliadwy
Cross Party Group
on Sustainable Energy

Mewn partneriaeth â | In partnership with

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Minutes

Cross Party Group on Sustainable Energy
Presentations by
Paul Allen, Centre for Alternative Technology
Richard Murphy, Green New Deal Group

Friday 2 October 2020 @ 11.00am
Virtual meeting via Microsoft Teams

Attendees

Assembly Members

Janet Finch-Saunders, MS

Llyr Gruffydd, MS

Industry Members

Alex Simms, for Jenny Rathbone MS

Angharad Davies

Carolyn Pugsley

Chris Jackson

Eleri Davies

Ian MacKinlay

Kate Oates

Laura Hulson

Lia Murphy

Mike, for Rhyn Ap Iorwerth MS

Paul Allen

Rhys Wyn Jones

Richard Murphy

Ryland Doyle, for Mike Hedges MS

Simon Morgan

Will Ryan

Yasmin Akbari



Welcome: Rhys Wyn Jones, Renewable UK Cymru

- Thank you to everyone for attending this virtual meeting where we look forward to hearing from the contributors about the Green New Deal. Apologies for the long delay since the last meeting, the pandemic has meant a re-prioritisation of work, but we hope to continue on a quarterly basis. The meeting is recorded and will be available after the session.

AGM

- Llyr Gruffydd proposed as Chair for another term.
- Freshwater proposed as Secretary for another term.

Welcome: Llyr Gruffydd

This meeting will provide an update on the Green New Deal amid the pandemic and how things have changed since the meeting in February on the same topic. We welcome back our two speakers, Paul Allen and Richard Murphy.

Presentation: Paul Allen, Centre for Alternative Technology

Paul Allen delivered a presentation on how “wicked problems” require “wicked solutions” and steps possible to create a Zero Carbon Britain.

Presentation: Richard Murphy, Green New Deal Group

Richard Murphy discussed how the political economic framework has changed, his views on an upcoming recession, mass unemployment and inflation and the opportunity Wales has to build the economy it needs.

Questions and answers

Question: *Eleri Davies, RWE Renewables UK* - Climate change declarations at national and local government levels are all very well, but do you think the scale and pace of the challenge has been grasped? One of the key challenges to achieving net zero targets in Wales is grid capacity - do you think all the relevant players will move beyond 'business as usual' to deliver the significant scale of new/upgraded grid networks required at the pace required?

Response (PA) There is a widespread consensus in society that we have to act on this. Prices of renewables are tracked and they're dropping rapidly. We have to think across boundaries and disciplines; we can't think of a vision for just electricity, we have to consider how it is linked to culture and agriculture. We're at the stage where we need the next detailed conversations about where this needs to go across sectors, civil society and governments.



Question: *Rhys Wyn Jones, Renewable UK Cymru* – At the moment there are lots of Welsh government-led workstreams in train to consider 'green recovery'. Simply in terms of organisation, how do you ensure ideas translate to action?

Response (PA) We're supporting councils, district councils and active individuals to provide basic carbon literacy training. We've been coordinating with councils because we need to share process and real-life examples that work.

Response (RM) We are seeing a real change and potentially seeing the reemergence of an industrial strategy, and we've not seen this for a long time. Without government intervention, we're not going to see natural progression through the crisis or the sustainable economy we want. I firmly believe in a mixed economy, but we need the state to act as an agent for change. We have the risk of uncoordinated action. All governments need to have plans for delivery which recognise local authorities because without that local awareness you don't have the grassroots support. The Senedd has an obligation to put in place a coordinating framework that says what Wales is trying to do, how we imagine that is going to happen, what the goal is and over what period of time, how we can direct resources to that goal and how we can try to support raising funds for it. All good plans have to be achievable and set targets which are going to require some effort. The long-term challenge is coordination. The government has suggested it can have some role in intervening in the economy, which is a change in emphasis.

Response (PA) I was surprised to hear Prince Charles say we need a Marshall Plan to deal with this. The key thing is how we bring this about. We have three emergencies: biodiversity, climate and the pandemic. If I was Prime Minister, I would have arranged for all those furloughed to undertake one week of carbon literacy training and another week of training associated with someone's particular area of employment, eg retail, manufacturing etc so, when the scheme ends, lots of people, fully trained up, move back into the economy.

Question: *Ian MacKinlay* – Richard, you seem to be not fearing a future of high inflation. What do you think about the idea that not only our government, but also governments elsewhere, are going to engineer the circumstances that will bring about high inflation, deliberately you might say, in order, over a relatively short period of time, to effectively drastically diminish the de facto real cost of measures to do with the Covid-19 crisis?

Response (RM) I don't believe in using inflation as a way of repaying debt. Inflation could be one or two per cent higher without causing any issues within the economy, but simply, public debt is not a concern right now. We need to work out how we can use the power of the state to spend money - which we know exists. The state has so far created more money than required to pay for the crisis, and we should use that power, which remains non-inflationary while we have unemployment, to create the opportunity to deliver the transformation. The power of the state to intervene to control any inflation because of Brexit is non-existent because that is a real issue if there is a problem on the border. I'm not pretending Brexit will be a long-term crisis and I'm not making a position on it, all I'm saying it's likely it will cause issues in January and likely to cause a one-off inflationary environment, but I don't think that's long-term. In the long-term, I don't think we have risk of a real inflationary environment, apart from these external shocks such as Brexit, but inflation isn't to be worried about.



Response (PA) It would be good to have increased awareness in society about what happened in the US and other countries in the 1920s and 30s economic crisis and what was done in terms of new deal and the Marshall Plan. In austerity, countries are seen as families spending more money than they're earning, but countries can create money and real jobs. There are examples where we've done massive transformations, so it is possible.

Response (RM) A great book on understanding how we have the opportunity to use money as an instrument for change without fear of inflation and tax rises is *The Deficit Myth* by Stephanie Kelton.

Question: *Rhys Wyn Jones, Renewable UK Cymru* – Back to the Welsh context, and thinking of the Senedd elections in May where members will be considering what's in their manifestos and spending priorities. We need to prioritise people and green jobs, but what top three things would you advise manifesto planners spend scarce resources on to deliver a green recovery, which is equitable?

Response (PA) We need to rethink built environments, transport systems - from everything from urban cycleways to rethinking public transport – and we need to rethink energy. For example, when Hitachi pulled out of Wylfa Newydd, we needed an instant innovation lab to think how we can make Wylfa into the green energy research centre leading across Europe, because renewables prices have come down so much so we need flexible adaptive backups. We could build on the hubs of the people of Wylfa for more jobs, but in a really green way. We also need to look at the agricultural history of Wales which used to be more diverse and think about how we can move into more diverse farming. By linking in with energy and carbon capture we can find new income streams in the farming community.

Response (RM) Transport is also transformational and, for many, it's challenging. There needs to be a vision of how Wales can become a more efficient community in terms of transport and reduce its carbon fuel dependency. It's not easy and just the electric car will not solve all its problems, because there are problems implicit with those. There needs to be a public transport system on a longer-term agenda to work out how there can be less car dependency, which to me is fundamental.

Question: *Mike for Rhyn Ap Iorweth* – I'm looking forward to seeing Plaid Cymru establishing the headquarters of a new national energy company for Wales on the island [Anglesey] in future - is there any more detail about the nature of this company at this stage?

Response (LG) If Wylfa isn't happening, we need to ramp up the green energy expertise and realise the potential we have, and I think Anglesey is the best place to focus some of that work. I won't turn this into a party political broadcast but my manifesto very much talks about creating a body that's going to drive that agenda forward.

Response (RM) There does need to be coordination within that process. We've probably drawn that line between private and public sector a bit too far in one direction. While we go through this process and are facing a recession, we need to redraw further towards this type of national energy company as we go through the transition. We may look at different solutions again, but we have to go through the process, which can't be in itself inherently market-led, because if it was, we wouldn't need to plan for it, the market would deliver it. The market doesn't know how to because the pricing mechanisms to do that can't be built within our current pricing and taxation systems so there has to be a degree of planning. The



externality we're dealing with can't be priced, therefore we need to think about these national solutions and a national energy company in that context makes sense as *part* of the plan, but not all of it.

Response (PA) The key aspects we need to investigate as part of the plan for Wales is using academia and, together, we can answer some big questions. We need to look at a wider section of economic models in schools – if young people aren't allowed to think about it or understand it, we're limiting ourselves and that's a mistake.

Response (LG) The national development framework has been published which sets the parameters for some of the things we've been talking about in terms of aspirations around the energy agenda. It's been in gestation for a number of years, so there's a question of to what extent does it take into account the new world we live in. One of my concerns is that people have lost confidence in public transport in terms of safety and how much effort is it to get people back on public transport in the next few years. In some ways, there are things we wish wouldn't go back to normal and others we would, because we were on the right trajectory. The world is changing and how we mold that future sets the parameter, and the political pressure of getting things over the line before elections in May, sometimes has to come second.

Response (RM) I'm optimistic that it will change and that public transport will come back, but it will take time.

Response (PA) It's also an opportunity to rebuild the infrastructure while there isn't so much pressure on public transport.

Response (LG) I agree, it's an opportunity to step back and look at what we take for granted and hopefully bring forward a different trajectory and address some issues in society.

Close

The host thanked the presenters and guests, and asked for suggestions for future topics from attendees.