

Response from the Port of Milford Haven

Wales' Clean Energy Centre

1. We welcome this early opportunity to engage with the Climate Change, Environment and Infrastructure Committee and respond to this consultation.
2. The Senedd and the Welsh Government's drive to tackle climate change and decarbonise the economy in an inclusive and employment generating basis is aligned with the Port of Milford Haven's recently released vision.
3. The Milford Haven Waterway is the UK's energy capital, with a vision to create a clean energy cluster focused on delivering high quality and skilled green jobs. The hydrogen economy and clean energy generation from wave, tidal and floating offshore wind (FLOW) is integral to our vision. The Port is spearheading a public-private collaboration to ensure the nation's net zero future is firmly rooted in south Wales through the creation of Wales' Clean Energy Centre. No other location in Wales has the natural capital, transmission and pipelines, skills-base and global terminal operators in situ to create, use or inject renewable fuels into the energy system at scale.
4. With planning permission in place for a major infrastructure upgrade at Pembroke Port, within weeks we will begin the creation of a development platform for a new thriving offshore renewable energy cluster. Pembroke Dock Marine (PDM) is a £60m centre for marine energy and engineering. With cross sector application, it's primary focus is marine energy and FLOW. Critically, it has the potential to expand at scale in the future. To deliver the UK as a world leader in FLOW, with at least 60% UK content in projects, the country needs projects like PDM.
5. The successful delivery of this vision will be just as important for the country, particularly for UK energy security as the use of fossil fuels is reduced, as it will be for Pembrokeshire, an area with an aging population, an over reliance on a limited number of sectors to generate jobs and the highest levels of child poverty in Wales.
6. The context is clear. We note the UK Government target of a reduction in greenhouse gas emissions by 78% by 2035 compared to 1990 levels, alongside an aim of delivering 5GW of low carbon hydrogen production capacity by 2030 for use across the economy. We also note in March 2021, the Welsh Government approved a net zero target for 2050 which is a step up on previous targets. Wales has interim targets for 2030 (a 63% reduction v 1990) and 2040 (89% reduction v 1990). The targets and carbon budgets form Wales' statutory framework and they include Wales' share of emissions from international aviation and shipping.

The UK's energy capital – low carbon energy revolution

7. In the first 60 years of its existence, the Port of Milford Haven, with its unique deep waterway, has successfully handled the emergence of two national energy revolutions and has been a major driver of economic activity.
8. Today, the Port is a core component of the UK's energy network supplying a fifth of the UK's energy needs and supporting around 5,000 Welsh jobs in the maritime, renewables and heavy engineering sectors, as well as many more in the supply chain. Now well into its seventh decade,

this 'energy capital' is gearing up for a third revolution – low carbon energy – through a dedicated clean energy cluster.

9. Ports are no longer simply industrialised zones – but place-making pillars – as evidenced by the Port's investment in Milford Waterfront and the growing opportunity in this sector. Milford Waterfront has become a vibrant hospitality and tourism destination offering 300 marina berths, a new 100-bedroom hotel (Ty Hotel by The Celtic Collection Group) opening in April 2022 and several high-quality restaurants, bars and retail outlets.
10. The Milford Haven Waterway, with its unique deep-water channel, is at the heart of one of the largest industrial clusters in Wales, where major added value takes place across the oil and gas, marine engineering and fishing sectors, and equipment, skills and people are utilised collectively.
11. Over the coming quarter of a century, our vision for the Milford Haven Waterway is that: it will play a vital national role in driving new green energy through growth in hydrogen, floating offshore wind (FLOW) and marine energy generation, while supporting national energy resilience through existing energy vectors.
12. Whether supporting new green jobs or further developing a hospitality and tourist destination, our vision offers significant regeneration benefits levelling up this coastal region through the creation of fresh high-quality employment and careers for future generations.

What do you think the Committee's strategic priorities should be over the next six months?

13. Trading patterns are rebalancing following Brexit and the Covid-19 pandemic. Economic opportunities exist, but the competition for global capital is fierce for new investments within the UK and beyond. Welsh ports will remain critical to the Welsh economy, but a clear cross-cutting economic strategy is required. For example, a decision needs to be made on freeports in Wales. If the policy is pursued, the output must be focused on areas where the economy stands to gain the most socio-economically and environmentally. The Haven's energy cluster, heavy engineering and port infrastructure can be repositioned to support a substantial renewable energy pipeline and the development of a nationally strategic hydrogen economy.
14. Green energy generation is a massive opportunity for the Welsh economy and its net zero ambitions. We must prioritise the development of infrastructure and supply chain collaborations now, otherwise growth and prosperity opportunity will be lost to other regions of the UK and abroad. The development of this new technology will present opportunities to invest in people and communities.
15. The change in Brexit rules has resulted in a significant reduction in trade through Wales and specifically here at the Port of Milford Haven through our Irish Sea operations through Pembroke Dock. Compared to the first six months of 2019, we have seen a reduction of circa 30% of trade, which is having a significant negative impact on the local community. It is vital that priority is given to facilitating a trading environment – such as well sited Border Control Post – which does not distort or add unnecessary burdens / road miles to the movement of freight across international borders.

What do you think the Committee's longer-term objectives and priorities should be for the term of the sixth Senedd?

16. Once a clear cross-cutting economic strategy is developed for ports in Wales the priority must be action and delivery. There is no doubt that other regions across the UK are accelerating investment, innovation and net zero demonstrators and Wales must not be left behind. It is important that the Senedd engages with the UK decision making groups, explores funding opportunities and takes advantage of the UK green growth, building back better and leveling up agenda.
17. Whether it is utilising freeports or other economic policy tools – through a blend of fiscal incentives and planning easements to make it easier to invest, operate and employ - what is important is a clear strategy and action plan for the ports in Wales that generates just and inclusive business growth. Ports play a vital role in local communities and can provide huge catalytic opportunities for regions to recover and grow.
18. We must develop a collaborative and joined up approach to maximise the opportunities provided by the different ports across Wales. This must be linked to a clear net zero delivery plan which must identify and deliver the infrastructure and collaborations for each of the Welsh ports.
19. Early indications are that opportunities exist to grow economic benefit from hospitality and tourism (H&T) in Pembrokeshire and Wales. As we learn to live with Covid-19, a joined-up H&T programme with additional investment support is required if we want to capture post-pandemic benefits for the Pembrokeshire region and Wales.

We would welcome future opportunities to engage with the Committee and look forward to working with you in the future. If you have queries, please contact our Commercial Director, Steve Edwards.