

## **Climate Change, Environment and Infrastructure Committee: correspondence received via e-mail from Dr Dean regarding the Welsh Government's Future Wales renewable energy policies - 22 November 2021**

A topic perhaps on the Future Wales renewable energy policies (Policy 17 & 18) for the committee.

Treasury Green Book - humour me for a moment ...

I raised this during the NDF consultation, and have since quizzed the minister, but I've not had a particularly satisfactory conclusion. I first looked into the Green Book when fighting more pylons on Ynys Môn some years ago. My understanding is the methods in the Green Book should be applied for the evaluation of public policy. The Treasury have confirmed to me this applies to the Welsh Government, and this has been confirmed by the Senedd. It has not been used at any point in evaluation of the totality of Future Wales, or for individual policies. An Integrated Sustainability Assessment has been performed, but this misses out some aspects included in the Green Book, and has not been applied to individual policies. I have no idea where this leaves the legitimacy of policies 17 & 18 should these be challenged.

The Green Book method is a fairly straightforward cost-benefit analysis allowing the Net Present Value of policies, projects or programmes to be determined (and hence decide between options). It does though require the value of "natural capital" to be included - this is the value society give to less tangible assets such as landscapes, habitats and environments. Obviously such evaluation is never as precise as say estimating build costs or revenue streams, but crucially it translates impacts on landscape etc into cash terms to weigh up against more tangible costs and benefits. Typically environmental assessments are always qualitative, while costs and benefits are quantitative, and in my experience money wins, and "moderately adverse" descriptions loose. This is why including the financial value of natural capital in the cost-benefit analysis levels the playing field for the less tangible assets. But, as I say, none of this has been done.

Guidelines for Policy 17 & 18

During the consultation for the NDF, in the final draft, guidelines were promised to help determine when developments were, or were not, acceptable. These have not yet been produced, although applications for developments under these policies have commenced. I have asked the minister when these promised guidelines would become available, and was told that while the publication of the guidelines remains the aim of the government, there is currently no deadline for publication. This leaves

both developers and impacted stakeholders with no "rules of the game". I believe these guidelines should be drafted sooner rather than later, and the public should be consulted before finalisation. Ideally a draft should be available before the first planning application under these policies is examined.

In producing these guidelines, the valuation of natural capital (as per the Green Book), and changes to it, could be included as part of the decision making criteria in determining if a development should proceed or not. This wouldn't replace the qualitative evaluation necessary in an Environmental Impact Assessment, but would give a very tangible "cash" quantitative assessment of the impacts on less tangible, natural assets. This would help make any decisions on developments far more transparent and help gain buy-in from impacted stakeholders.

Please consider these thoughts for discussion in the committee, or if this is not a suitable topic for discussion, perhaps you could advise me who would be most appropriate to take the idea to.

Cofion  
Jonathan

Dr Jonathan F Dean