

Introduction

The Crown Estate is a purpose-led business established by statute, with a clear commercial mandate. We work to create shared and lasting prosperity in the way we manage our diverse portfolio, and seek to integrate environmental and socio-economic value creation in everything we do.

Our approach to management of marine resources in Wales is grounded in partnership, which sees us work together with a diverse range of organisations. This includes collaborating with the Welsh Government and Natural Resources Wales to understand aims and priorities, alongside playing an active role in advisory groups such as the Marine Planning Stakeholder Reference Group; looking at strategic resource areas and sector locational guidance.

Our responsibilities in Wales include the seabed out to 12 nautical miles, and our interests therefore include renewable energy, which is our most significant activity in Wales; oil and gas pipelines, marine aggregate extraction, telecommunications and power cables, and aquaculture. In addition, we manage rights to the resources on the continental shelf, i.e. the seabed beyond 12 miles up to 200 miles, such as natural resources and offshore energy, but excluding fossil fuels.

We also own and lease around 65 per cent of the Welsh foreshore and riverbed, which includes a number of ports, such as the busy and multi-functional port of Milford Haven in Pembrokeshire, and various marinas. Inland, we own over 50,000 acres of Welsh uplands and common land, which is primarily rough pasture for grazing, but also acts as an important natural resource for all to enjoy within the Welsh countryside.

Offshore opportunity

The waters around Wales offer a significant economic and environmental opportunity for renewable energy deployment in the journey to net zero. Still, there are issues for significantly scaling up renewable energy in Wales, including the need to protect our precious marine environment, and unlocking barriers to investment in infrastructure such as grid capacity and ports, accelerating technologies and enabling the supply chain.

Accelerating and expanding offshore wind: getting the balance right

Achieving net zero will require vast offshore wind resources, whilst working in balance with the many demands on the marine environment and its fragile ecosystems. In working with statutory stakeholders and environmental organisations, The Crown Estate plays a critical role in unlocking the offshore wind market and unleashing Wales' natural resources.

We are working hard to understand the reforms necessary to meet the pace and scale of the deployment required to realise net zero and deliver 70% of Wales' electricity demand from Welsh renewable electricity sources by 2030. We recently agreed a partnership with National Grid ESO to improve coordination of offshore wind transmission infrastructure.

Collaboration to address strategic energy and marine issues

The Crown Estate collaborates with a wide range of stakeholders to address strategic energy and marine issues, and to understand aims and shared priorities. Recently this work included partnering with the Welsh Government to implement the Welsh National Marine Plan. We also work closely with Natural Resources Wales to ensure that

the natural resources of Wales are sustainably managed for the long term and collaborate through our membership of groups such as the Wales Marine Action and Advisory Group.

In December 2020, The Crown Estate launched a new partnership programme with over 20 other organisations, including Welsh Government and Natural Resources Wales, called the 'Offshore Wind Evidence & Change Programme'. Over a five-year period, the programme seeks to drive sustainable and coordinated expansion of offshore wind whilst supporting biologically diverse seas, through funding a number of strategic research and data projects. These projects will provide essential insights to help the sector and policy makers better understand and address environmental considerations and interactions with other industries and activities, both around the coast and offshore.

Floating offshore wind projects

In July 2021, the Llŷr 1 and Llŷr 2 Test & Demonstration projects comprising two separate 100MW sites, were given the green light to progress to the plan-level Habitats Regulations Assessment stage of the development process. The projects test new foundation and mooring technologies, using new designs, materials and construction approaches and could play an important role in supporting the development and momentum of the regional supply chain, helping support new jobs, skills and economic growth.

To further support the development of the floating offshore wind sector beyond Test & Demonstration scale, in November 2021 The Crown Estate proposed to unlock up to 4GW of new floating wind capacity in the Celtic Sea by 2035. Our [Celtic Seas Floating Wind Programme position paper](#) sets out our current thinking and how we will work to support the supply chain port infrastructure and electricity grid infrastructure.

We have continued to engage with the market and stakeholders on our plans and recently we hosted a workshop with over 70 statutory stakeholders including the Welsh Government and Natural Resources Wales. This insight will be invaluable ahead of a further announcement on development areas, spatial design and the tender process for floating wind in the Celtic Sea expected in mid-2022.

Supporting wave & tidal technology

Wales also has significant wave and tidal energy potential. We continue to play a role in supporting this sector through engagement with the Marine Energy Wales Working Group, the Welsh Government's Consenting Strategic Advisory Group and through discussions with our customers.

A particular example is Menter Môn, a social enterprise in Ynys Môn developing the Morlais tidal stream project, leasing 35km² of seabed, with the potential to generate up to 240MW.

Enabling infrastructure & supply chain

Delivering the scale-up of renewables required to support the clean energy transition will place substantial demands on infrastructure and the supply chain across the UK. For the sector to reach its full potential, significant early investment in supporting infrastructure such as ports and a co-ordinated approach to grid will be required.

To support the floating wind opportunity in the Celtic Sea, we are working closely and collaboratively with the Welsh Government and other stakeholders to build a clear view of the challenges and opportunities for ports that support the renewable energy sector and to explore how this can be done most effectively. Alongside this, we actively participate in the Offshore Transmission Network Review (OTNR) in partnership with Ofgem, National Grid Electricity System Operator (ESO), the Welsh Government, UK Government, marine planning organisations and others, to address the barriers presented by the existing offshore transmission regime.

The UK floating wind supply chain has the potential to create new, skilled jobs and investment that provide a major boost to local, as well as national economies and help Wales become global leaders for floating wind technology. We are already working with the Celtic Sea Cluster on this topic and we are committed to broadening and deepening our work with the sector to explore how we can help to most effectively maximise UK content and investment in the supply chain through our programme activities.

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