



The Senedd Cross Party Group on Renewable and Low Carbon Energy
Grŵp Trawsbleidiol y Senedd ar Ynni Adnewyddadwy a Charbon Isel

12.00 - 1.00pm, Tuesday 27th September 2022

12.30 - 1.30yp, ddydd Mawrth 27 Medi 2022

Online meeting / Cyfarfod ar-lein

Minutes / Cofnodion

Energy Prices, Geopolitics, and the Cost of Living Crisis

Prisiau Ynni, Geowleidyddiaeth, a'r Argyfwng Costau Byw

Members of the Senedd

Delyth Jewell MS (Chair)

Guest speakers

Juliette Sanders, Director of Communications, Energy UK

Professor Calvin Jones, Professor of Economics, Cardiff Business School

Attendees

Andrew Donald	Ben Coates	Tom Crick
Andy Billcliff	Jon Fox	Manon Kynaston
Calvin Jones	Seumas Skinner	Huw
David Sprake	Cathy Owens	Gwenllian Elias
Delyth Jewell	Matthew Hexter	Prof Ron Loveland
Eleri Morgan	Lara Stace	Gaynor Jackson
Ffion Davies	R Johnson	Sarah Jones
Jen	Neil Foxall	Chris Jackson
Juliette Sanders	Andy Regan	Sara
Kate Mitchell	Eleri Davies	Alex Scorey
Lydia Godden	David Clubb	Kevin Ashcroft
Neil Lewis	Aled Rowlands	Nat Rees
Rob O'Dwyer	Alexander Gray	Angharad Davies
Robert Jervis-Gibbons	Matt Telfer	David-X.Brown
Rosemary Grogan	Jack Wilkinson-Dix	David Jones
Ryland Doyle	Charles Williams	Tony Cooke
Trevor Hunter	Ioan Dobbin	Ifer Gwyn

1. Welcome and introductions

- The chair welcomed attendees and congratulated Rhys Wyn Jones' on his new role.
- Explained there has been a mini reshuffle within the climate change portfolio in the Welsh Government where some responsibilities from the climate change portfolio will be transferred to other Ministers.

2. Guest speakers

- The chair welcomed speakers and provided a brief biography of each.
- Juliette Sanders, Director of Communications, Energy UK and Professor Calvin Jones, Professor of Economics, Cardiff Business School provided presentations.

3. Q&A



Q. The New UK Government has signalled quite a shift in policy in relation to some of the rhetoric that we're hearing. What impact do you think that could have on the industry and the Welsh Government's ability to reach net zero by 2050?

A. With regards to fracking and shale gas, the UK Government have said that they'll consider this within communities that support it. But it hasn't got much public support, so it remains to be seen what will come out of that. What's important to focus on is that the UK Government remains committed to the net zero targets. And that's something that's positive. We have seen new targets released for offshore wind of 50GW by 2030 and new targets for nuclear energy of 24GW by 2050. Around a quarter of our electricity that could come from nuclear by 2050. Reforming the planning policy around onshore wind to bring it in line with other infrastructure is key for both onshore wind and solar. These are some of the cheapest forms of electricity, and really quick to build so that's why they remain a key part of getting out of this energy crisis. There's definitely been signals of looking at technologies that perhaps aren't in line with the Climate Change committee's six carbon budget. But I think we should focus on the positive and large targets that we have in the UK to deliver net zero. (JS)

A. I'm unsure why Liz Truss is committing to reversing the fracking ban given how unpopular it is. You would need a vast number of wells to make a difference to gas supply in the UK. It would be difficult to sell on the regional European gas market because the sterling is worth peanuts. I hope it would have no impact in Wales. (CJ)

A. I should note that the Welsh Government has made clear, yet again, it's commitment not to have any fracking in Wales. (DJ)

Q. The Given that energy policy is not devolved. What's the most radical or maximum impact that the Welsh Government could have on reducing energy demand?

A. Wales should spend money on energy efficiency in buildings. It's obviously the thing we're doing incredibly badly given that approx. 90% of our houses will still be with us in 2050, we do control building regulations, the technology exists, so retrofitting houses is the one thing I would focus on. (CJ)

A. The UK has some of the least energy-efficient homes in Western Europe, it's always the missing piece of the discussion. It helps to bring bills down in the long term and helps to maintain the security of supply. There are also economic benefits that go with developing a new market. (JS)

Q. My house has a heat pump, electric cars, solar panels, and it was all made in China, it seems to me that we're entirely reliant on China and the Asian economies. And obviously we're going to enrich China and depend on them as we've relied on Russia for gas, so is there any prospect of Europe producing solar panels?

A. The short answer is no. Why would green investors currently come to Wales and want to invest? Wales is too small to compete on cost and too under qualified to compete on labour. We have to make Wales different in order to get investment money. (CJ)

A. The UK has developed as a world leader in offshore wind because of the government and industry working together. Clear and stable policy, framework and targets evidently help. But also, a clear focus on supply chain, and jobs is needed. The low-carbon heating industry has potential for growth. It would be interesting to see where we can take advantage of that and build up a skilled installation workforce. (JS)

Q. Wind isn't the answer to all our problems, without having a holistic approach to the energy mix. What we are failing to grasp is unless we build large scale storage, with the new round of offshore wind developments, there's no real benefit to the additional wind generation.



A. The future energy system is a low-carbon mix including renewables and nuclear. With tidal we haven't had long-term, committed government policy that enables investment, which makes it difficult for companies to invest when they don't know what the future is, or what returns they'll get. We can't reach net zero with renewables alone. (JS)

A. People have been talking about nuclear for the last 25 years, as being the energy policy saviour, yet nothing is happening, therefore, maybe it won't deliver - irrespective of values. We haven't built any, so it's unlikely we will decarbonize by 2030 using nuclear. Energy storage is expensive, we have to consider how much energy we need to protect basic prosperity, safety and security in the UK. Unfortunately, anything we implement to respond to the climate emergency, let alone the short-term price of fossil fuels, is not going to be there in time. (CJ)

Q. There seems to be opportunities to scale the generation of green hydrogen in Wales, but not the market for it yet. It seems to be a chicken and egg situation. This is one of the challenges with exploring alternative fuels for public transport.

A. These two technologies as a fuel type (electric and hydrogen) are direct in competition, we don't know which one is best. The issue is, if you invest in a technology and get it wrong, it could be an expensive gamble that may not pay off. Over time, there is a diminishing scope of areas where hydrogen might best be applied. We now have a set of areas where hydrogen might be applied which helps focus where hydrogen could develop, and some clarity could emerge. But we are some way off that yet. (CJ)

Q. Could we get a local content benefit from floating offshore wind in the Celtic sea?

A. The Celtic Sea projects may be coming to shore in Cornwall, not Wales. Without an established set of companies who might be using that area I think it's ambitious. (CJ)

A. These companies all have supply chain portals so if there are companies that think they can contribute, they should try to get involved. (JS)

7. Any other business

None.

8. Date of next meeting

The group will endeavour to meet once more at the end of this year. Suggested topics include the Celtic Sea. The Welsh Government's Climate Change Minister will be invited to speak to the CPG. Participants were invited to send suggestions of topics for future meetings.