



## The Senedd Cross Party Group on Renewable and Low Carbon Energy

12:00 – 13:00, Tuesday 27<sup>th</sup> June 2023

In-person meeting, Pierhead Building

### Minutes

#### Members of the Senedd

Huw Irranca-Davies MS (Chair)

Carolyn Thomas MS

Eluned Morgan MS

#### Attendees

Abigail Beck

Dr Mark Picton

Manon Kynaston

Akshay Kaul

Dr Paul Ellsmore

Math Williams

Aled Hughes

Elliot Smith

Mike Corney

Amie Rose Vernoum

Hannah Dineen

Oliver Penney

Andrew Donald

Hannah Jarvis

Peter McCrory

Andy Billcliff

Holly Skyrme

Rahel Jones

Andy Regan

Huw Lewis

Rebecca Williams

Angharad Davies

Ioan Dobbin

Robert Chapman

Antony Jones

Jack Wilkinson-Dix

Sara Powell-Davies

Ben Lewis

Jay Sheppard

Sarah Jones

Ben Tritton

Jennifer Pride

Sean Evans

Ben Williams

Jessica Hooper

Simon Morgan

Cathy Owens

John Wawer

Steve Brooks

Chris Williams

Lara Stace

Steve Edwards

Daniel Benson

Leslie Walker

Steve Pope

Daniel Taylor

Lydia Godden

Tim James

Daniel Wills

Maarten Abele

Tom Fabian

#### Apologies

Delyth Jewell MS

#### Agenda item 1: Welcome and introductions

The Chair and RenewableUK Cymru's Jessica Hooper welcomed attendees and introduced speakers.

#### Agenda item 2: Akshay Kaul



Ofgem's Director of Infrastructure and Security of Supply, Akshay Kaul addressed attendees. He explained Ofgem's role and plans for the energy sector, outlining the tripartite focuses of system planning, building up the grid network, and establishing grid connections. Mr Kaul expressed his eagerness to work with Welsh parliamentarians and industry in developing regional system plans so that projects can connect as quickly as possible.

### Agenda item 3: Peter McCrory

RenewableUK's Grid Policy Manager, Peter McCrory recognised the Welsh Government's renewable energy ambitions but acknowledged the grid investment required to make these a reality. He outlined that the grid investment required is difficult to underestimate, referring to RenewableUK's finding that Wales needs to double its grid capacity by 2035. He welcomed the work being undertaken by National Grid, Ofgem, and government to reform the grid connection process. Mr McCrory reflected on Ofgem's expanded remit to include a net zero duty.

### Agenda item 4: Q&A

*Q1: What are the key challenges to reaching 2035 targets and what can Ofgem do to overcome these challenges?*

Akshay Kaul explained that there are three key areas: regulation, planning and the supply chain. He stated that the supply chain needs clarity and certainty, with longer term relationships established. Mr Kaul argued that the existing supply chain needs to be used and marketed more effectively.

Peter McCrory said that the change in Ofgem's remit to include a responsibility for supporting the delivery of the net zero target is significant and grid capacity in Wales would need to be doubled in order to facilitate the projects that are in the pipeline.

*Q2: What role does flexibility have to play?*

Akshay Kaul stated that battery storage has a big role to play in system flexibility. He also noted that the "big prize" is domestic flexibility, which could provide significant benefits if households are properly engaged and the system becomes more automated. Mr Kaul explained that greater flexibility could reduce the amount of infrastructure and cable routes required.

*Q3: Is hydrogen a potential alternative?*

Akshay Kaul stressed that the policy question about hydrogen is a role for government rather than for Ofgem. However, he foresaw a "patchwork" system made up of both hydrogen and electricity, identifying a significant role for hydrogen in energy for industry.

*Q4: How would you write a manifesto for the next government which would rapidly improve the grid?*

Jessica Hooper argued for greater intergovernmental working, noting the challenges faced by the Welsh Government in funding, decision-making and the grid. She stated that to deliver the infrastructure required to meet targets at pace, the Welsh and UK governments need to collaborate. Huw Irranca-Davies noted the legislative changes being brought forward by Minister for Climate Change, Julie James to facilitate infrastructure delivery.

*Q5: Will system planning need to be joined with a levelling up approach and is an infrastructure organisation required to deliver grid improvements?*

Akshay Kaul acknowledged the need to accelerate grid development, stating that a certain amount can be achieved by providing incentives. He outlined how Ofgem can set clear incentives through rewards and penalties, but noted that this needs to be a collaborative endeavour with the support of communities and the supply chain.



*Q6: How can Welsh Government work with Ofgem in relation to regional planning? What has to change to ensure improvements bring equality and do not worsen inequality?*

Akshay Kaul set out the aim to keep the overall cost of energy low for the whole of society, noting that flexibility in the system makes this easier. He expressed worry that those who are able to provide greater flexibility could get a better deal. Mr Kaul stated that Ofgem is in favour of exploring a social tariff, but accepted that this is ultimately a policy matter. He stated that a key barrier is that the market does not currently exist to allow flexibility at scale and a “sea change” is required in market arrangements and regulation. Akshay highlighted that Ofgem is expanding its physical presence in Wales and outlined that collaboration with the Welsh Government has improved “in leaps and bounds”.

*Q7: How do we communicate the challenge and scale of what we need to achieve to communities and ensure we are open and honest as an industry?*

*How do we overcome negative attitudes and campaigns against infrastructure?*

Peter McCrory stressed the importance of community engagement as infrastructure is developed and argued that it is vital that governments and the industry gets community benefit right and ensures that everyone is engaged. He provided the example of the vaccine rollout which he identified as a potential template for a public communications campaign.

Akshay Kaul also emphasised that demonstrating tangible benefits for communities is vital along with strong planning guidance with a public narrative. He called for politicians and leaders to come together to listen to those with strong views in a fair way.

Huw Irranca-Davies outlined the case for early and meaningful engagement from developers with local people.

### **Agenda item 5: Closing Remarks**

Huw Irranca-Davies offered closing remarks and opened the Wind Energy Week Networking Lunch which followed the Cross Party Group meeting.