HRLN 41 - Evidence from: RenewableUK Cymru

Senedd Cymru | Welsh Parliament

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | **Climate Change, Environment, and Infrastructure Committee**

Atal a gwrthdroi colli natur erbyn 2030 | **Halting and reversing the loss of nature by 2030**

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Halting and reversing the loss of nature by 2030 consultation

RenewableUK Cymru is the Welsh office of RenewableUK. Across RenewableUK and RenewableUK Cymru, we work with our members to support the building and operating of our future energy system, powered by clean energy. We jointly represent nearly 500 member companies across Wales and the UK to ensure an increasing amount of renewable electricity is deployed which will support the decarbonisation of our economy, provide energy security, and respond to the climate emergency. Our members in Wales are business leaders, developers, and technology innovators. We have a broad membership with extensive experience from all the major onshore and offshore wind (fixed and floating) developers in Wales, ports, supply chain, grid and planning stakeholders. Our members deliver investment, jobs, community benefits and reduce emissions in Wales.

Consultation response

RenewableUK Cymru welcomes the opportunity to respond to the Senedd Climate Change, Environment and Infrastructure Committee's inquiry into halting and reversing the loss of nature by 2030. This letter provides a high-level response of key points related to the inquiry. The response has been informed by discussions and input from our RenewableUK Cymru members to bring together the views of industry – our response will be focused on perspectives from the wind energy sector.

We are in the midst of a climate, nature and land degradation crisis in Wales. Removing our reliance on fossil fuels is imperative, but the transition to renewables is also an opportunity to promote the restoration of our natural landscapes, working hand in hand to cut emissions and support the environmental, social and economic goals of the Wellbeing of Future Generations while safeguarding and enhancing our environment. Renewable energy developments have already shown the vast potential to bring private investment into habitat management, nature restoration and biodiversity enhancement across Wales and its waters. As a sector we firmly believe that wind energy projects are hugely complementary to the intentions to halt and reverse nature decline and address the urgency of the climate and nature emergencies. There is a delicate balance to be struck to ensure both priorities are achievable - to unlock wind projects and meet the Welsh Government's nature and biodiversity aspirations.

From a climate perspective, onshore wind is one of the quickest and cheapest ways to cut carbon emissions – before 2030 and beyond. With the right enabling actions, capacity in Wales could triple over the next decade to help meet our growing need for electricity. Without this rapid increase in onshore wind, Wales will not be able to meet its net zero targets.

Further to this, renewable energy projects bolster biodiversity enhancement by actively monitoring, encouraging, and promoting understanding of ecosystems, resulting in heightened resilience. Examples include the establishment of wildflower meadows at solar energy sites; heathland[1] and peatland[2] restoration, and species support at onshore wind sites; as well as quasi-Marine Protected Areas/exclusion zones through offshore wind developments.

Through the EIA process and subsequent biodiversity action plans and/or sustainable management plans, projects can promote a better understanding of the baseline environmental scenarios and provide significant, privately funded biodiversity enhancement measures to mitigate for any determined impacts. Furthermore, increased management over agricultural and grazing practices within wind farmland areas (through landowner agreements) can deliver further habitat reinstatement and enhancement.

Specifically relevant to nature and land degradation, a key focus for Wales is the protection and restoration of its peatlands. It's estimated 90% of our deep peat is degraded, and protecting these areas is a high priority for Welsh Government. Ambitious targets have been set for peatland restoration over the coming years. In a healthy state, peatlands are powerful natural carbon sinks, supporting a diverse range of plant and animal species and helping to prevent flooding. However, degraded peatlands release carbon dioxide back into the atmosphere, undermining actions being taken to combat the climate emergency. Natural Resources Wales (NRW) estimates that 90% of deep peatland in Wales is in poor condition, with total peatland emissions at around 550,000 t.CO2 e/yr, demonstrating the overwhelming importance of rapid restorative action.

The majority of peatlands in Wales lie above 200m, which are often also the windiest areas that are ideal for onshore wind. Data limitations in the Welsh Government's national peat map mean that even in areas earmarked as suitable for onshore wind, there may still be a lot of peatlands. Surveys often find the peat to be of poorer quality than expected which is why building wind farms in these locations could accelerate peat restoration, hitting goals for both nature recovery and renewable energy.

This overlap provides an opportunity. Through landowner agreements, onshore wind farms are one of the few remaining sustainably funded opportunities for peat restoration, delivering a double benefit by contributing to climate targets *and* providing private investment into biodiversity enhancement[3]. Onshore wind in Wales has the very real potential to accelerate the delivery of nature conservation, clean energy, reduced flood risk and zero carbon objectives[4].

To tackle and reverse peatland degradation, the Welsh Government created a National Peatland Action Programme (NPAP), with funding for 2020 to 2025. In the Welsh Government's Biodiversity Deep Dive Written Statement there was a commitment to a net zero target of 45,000ha of peatland restoration by 2050, pledging to upscale NPAP to reach the necessary annual rate of peatland restoration by 2030. This means that, from 2030 at least 1600ha of peatland must be restored year on year, demanding a significant increase in funding. Peatland restoration is not completed as one

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[1] RWE Clocaenog Wind Farm – Heathland restoration and dormice

[2] Vattenfall Pen y Cymoedd Wind Farm - Restoring peatland: From carbon leak to biodiverse carbon sink

[3] Onshore-Wind-and-Peatland-in-Wales.pdf (renewableuk-cymru.com)

[4] Onshore-Wind-and-Peatland-in-Wales.pdf (renewableuk-cymru.com)

activity, it requires ongoing work and committed funding over a long period of time. However, committed NPAP funding is only until 2025, risking a decline in peatland restoration. It will therefore be essential for additional capital to maintain existing restoration projects and grow the rate of peatland restoration. Onshore wind capacity could triple over coming years with the number of projects in the pipeline. Given the expansion in projects, and the fact that onshore wind is often located in proximity to peatlands, onshore wind developers represent important partners to provide a reliable and consistent source of additional funding for peatland restoration.

Effectiveness of current policies/funds/statutory duties in halting and reversing nature loss

Renewable energy development and a thriving terrestrial and marine environment can co-exist - Welsh Government must ensure that both biodiversity policy and renewable energy policy can be accelerated in parallel, avoiding an unintentional zero-sum game.

The State of Natural Resources Report identifies climate change as the second most important driver of species change with one in six species in Wales at risk of extinction. However, there is very little mention in legislation or policy of how addressing the twin Nature and Climate crises are intrinsically linked and could be tackled in parallel. With Welsh targets to reach 100% of electricity consumption from renewables by 2035 and net zero by 2050, there must be a clearer strategy of how Wales can increase renewable energy development in parallel with achieving nature and biodiversity targets. Unfortunately, there was no alignment between the Biodiversity and Renewable Energy deep dive or how the recommendations should be addressed, resulting in differing and conflicting objectives in some cases. **There is currently no mention of how we balance both in planning and environmental decision making**, or a recognition of how renewable and low carbon energy development can deliver benefit as outlined above. It is only with project delivery that we will see the environmental benefits realised. Currently barriers to renewable development in Wales, including policy uncertainty and consenting and planning delays, hinder progress.

At present, we have a number of policies and guidance that have different and often conflicting aims and objectives which can impact the delivery of renewable energy projects and the potential for nature restoration, of particular note:

- Future Wales: The National Plan 2040 and Planning Policy Wales Chapter 6 in the case of onshore wind; and
- Visual impact guidance in the case of offshore wind.

Several guidance from Local Authorities (LA) is out-dated and does not reflect current realities and is misaligned with national guidance. As well as this, guidance can be divergent across LA's. To effectively halt and reverse the loss of nature whilst still hitting climate targets it is imperative that all guidance is aligned to allow for effective implementation of policies.

Lack of funding is significantly limiting the implementation, monitoring, and enforcement of policies. If both biodiversity and climate targets are to be met funding must be increased to grow and train workforce in areas needed. Renewable energy projects provide a great opportunity to restore degraded habitats (e.g. peatlands) and can contribute to reversing the loss of nature however monitoring and enforcement of planning permission conditions continue well after habitat restoration has taken place, funds must be available to ensure the long-term success of these projects. Clear policy alignment across government would support more efficient and

clearer decision making. Vital renewable development projects are experiencing costly and avoidable delays due to prolonged decision-making and the ongoing uncertainty surrounding the interpretation and implementation of these policies.

Planning Policy Wales (PPW) Interpretation

In the additions to Chapter 6 last year, peatlands were introduced as "green infrastructure", however the additions overlooked a key opportunity for considerable weight to be given to its protection **and/or restoration**. This is where renewable energy development can support the Welsh Government's intentions and targets for peatland restoration as highlighted previously. Policy needs to recognise the value and benefits attributable to bringing forward renewable energy within degraded peatland areas.

The policy also lacks a clear definition of peat that covers both depth and quality, and no guidance or clear policy framework is available to support decision making for awarding planning on peat. The current classification by the Welsh Government of "deep peat" at just 0.3m is not appropriate or correct. At this depth, there can be no catotelm formation at such thinness, and the acrotelm will not be well developed, making it more like an organic soil. It might begin to be "peat soils" at 0.5m (as it's also defined by NatureScot[5] as a starting point), but **it is not** "deep peat" until it's at least 1.5m thick. Irrespective of thickness of the material, it must be considered more holistically, including the hydrology of the location, the condition of the material (hagged/eroded), and the potential for any restoration. NatureScot also provides guidance for good practice approach to wind energy development on peat[6]. Further, the policy fails to provide clarity for those circumstances where peat on a site may be in a degraded state and releasing carbon, and therefore any enhancement or restoration within that site would be beneficial and should be encouraged and positively supported by policy – rather than the apparently absolutist approach the current policy suggests.

Some key examples of where the sector is experiencing considerable challenge due to certain wording within the additions to Chapter 6 (and consequently delay and associated costs):

- The technical parameters for a '*net benefit for peat*' are not clear. In a recent DNS examination, both Natural Resources Wales (NRW) and Welsh Governments Soil, Peatland and Agricultural Land Use Policy (WGSPALUP) team were not prepared to give a view other than to say that if any peat is lost on a site (irrespective of quality/sequestration status or restoration/enhancement proposals) then it is out of accord with policy.
- It takes a very absolutist approach which is out of accord with policy in other areas. Whilst the intention of the policy was unlikely to be absolutist (for example, development is unacceptable if any peat of any quality is found anywhere within the site boundary), this is the literal interpretation of the wording as published.
- Whilst relatively straightforward to apply the '*Stepwise*' approach to a designated site with a definitive site boundary (e.g. a SSSI or a SAC), habitats that are not designated and therefore do not have a defined site boundary (e.g. peatland) are inherently difficult to apply the stepwise approach against as there is no defined area to avoid. PPW Chapter 6

[5] Advising on peatland, carbon-rich soils and priority peatland habitats in development management | NatureScot
[6] Good practice during wind farm construction | NatureScot

lacks precision in terms of whether a site with an area of sensitive habitat within its redline (albeit that the identified area is avoided by development design) would still fail Step 1(b).

- The lack of definition of '*wholly exceptional*' and whether this was the equivalent of 'very exceptional' which is commonly found in other planning policy (e.g. in relation to development within a Green Belt). In previous planning decisions the provision of renewable energy and its contribution to addressing climate change was seen (by the Inspector and the Minister in those cases) as 'exceptional circumstances' but the PPW Annex provides no guidance as to whether 'wholly exceptional' could be interpreted in the same way.
- Lack of clarity on whether the term '*Habitats*' relates to the habitat as a whole (which can be a mosaic of different types) or a single component part (e.g. peatland in isolation). If only one element of a habitat is impacted (but that impact mitigated / enhanced), does that count as unacceptable impact on the habitat as a whole?
- Step 1(b) refers to habitats which are "*irreplaceable*". The dictionary definition of irreplaceable is 'impossible to replace if lost', but this is not reflected in PPW Chapter 6 which suggests that habitat which would be 'be technically very difficult (or take a very significant time) to restore, recreate or replace' could be classed as irreplaceable. Could a habitat that is capable of improvement, translocation, restoration or enhancement actually be considered irreplaceable? With specific reference to peat, the policy fails to provide clarity for those circumstances where peat on site may be in a degraded state and releasing carbon, and therefore any enhancement or restoration within that site would be beneficial, and should be encouraged and positively supported by policy – rather than the apparently absolutist approach the current policy suggests.
- Furthermore, PPW Chapter 6 lacks any policy wording on net benefit, with particular reference to peatland. It is unclear from the policy wording whether any loss is unacceptable irrespective of whether a net benefit can be achieved through improvement, translocation, restoration or enhancement. It was considered that the peatland policy wording appeared to require a different approach to the previous PPW paragraph 6.4.21 which requires a net benefit for biodiversity to be delivered. It is contradictory to prevent development when it could restore or enhance habitat that would otherwise not be restored or enhanced.
- The Step 1(b) requirement to "protect, maintain and enhance habitats" whilst also "safeguarding them from development" is contradictory because if a habitat is "safeguarded" then it would, by definition, be "protected" but not necessarily "maintained or enhanced".
- In the context of DNS projects, PPW is a material consideration to the development plan (i.e. Future Wales), the approach to an unacceptable level of impact could potentially be viewed as being different in the context of PPW versus that of Future Wales, and this creates an issue for all that use the system (i.e. a decision-maker may find themselves in a position where a development meets FW Policy 18 Criteria 4, but at the same time could be argued to be out of accord with the more absolutist approach in PPW. Which policy has primacy?

The onshore wind development pipeline in Wales currently includes around 3.5GW of projects that are on sites affected by peat and the current wording in PPW Chapter 6 and WGSPALUP's absolutist interpretation of it (including the complete disregard of proposed peat restoration and enhancement measures) is risking the delivery of net biodiversity benefits funded by private developers. This is problematic because, public finances alone cannot restore 90% of the deep

peatland in Wales that is in a poor condition (the costs are not limited to the physical restoration/enhancement works which span decades, but also include compensation to landowners, e.g. farmers, forestry for reduced/loss of production which are offset when those landowners are in receipt of lease payments from wind farms). Furthermore, this absolutist interpretation is likely to result in both the Welsh Government's 2035 target and net zero being put at extreme risk. The weight afforded to the potentially affected peat must reflect its quality (for example, the delivery of a net benefit for improving peat within a development site should be afforded greater weight than the loss of a degraded (carbon emitting) peat resource).

A comparison can be drawn with the more pragmatic approach to 'Soils' in the Scotland National Policy Framework 4 (NPF4). The starting point in NPF4 is also to protect peatland, carbon rich soils and priority peatland habitat from development but development proposals on peatland will be supported for inter alia b) the generation of energy from renewable sources; or v) restoration of peatland habitats. Under 'Biodiversity', NPF4 has restoring degraded habitats as a policy objective.

In summary, clear **recognition should be given in guidance and legislation that the renewable and low carbon energy projects required to achieve net zero are critical** to minimising the increasing impacts of climate change and providing the opportunity for nature enhancement.

Current (and future) arrangements for monitoring biodiversity

Specific to the Environmental White Paper, further information on the **monitoring, and reporting requirements of proposed biodiversity targets** to reach these targets and statutory duties is needed. This should include more information on how the Welsh Government aims to **quantify** biodiversity and how the biodiversity targets will be **measured**, for example, with specific and usable metrics and methodology. Robust guidance will be important as part of this process. Secondary biodiversity targets necessarily lead to developing a metric, which is conflicting with the current approach and messaging regarding Net Benefit for Biodiversity (NBB) in Chapter 6 of Planning Policy Wales[7]. It is important that any metrics used to measure the results of the framework are habitat and species specific to Wales, for example taking in to account the benefits of restoring peatland. It is critical that targets are clearly defined and easily measurable.

Onshore and offshore wind project developers in Wales already comply with (and often go beyond) environmental monitoring regulations, pre and post planning and consenting stages, to monitor impacts on the terrestrial and marine environment. During the planning and consenting phases, renewable energy projects carry out comprehensive baseline ecological surveys, robust environmental assessment processes (EIAs and HRAs) and detailed independent analysis over an extended period. These cover both the flora and fauna at proposed sites. Subsequent biodiversity action plans and habitat management plans (HMP) projects can promote a better understanding of the baseline environmental scenarios and provide significant, privately funded biodiversity enhancement measures to mitigate for any determined impacts. Private investment through renewable energy projects can leverage significant private sector funding to support local and national biodiversity programmes, that would be otherwise hard to secure. These undertakings are already incredibly costly, therefore it is vital that further monitoring requirements are well thought through and do not add extra costs on to developers that may undermine the economics and

[7] https://www.gov.wales/targeted-policy-changes-planning-policy-wales-net-benefit-biodiversity-and-ecosystems-resilience

commercial viability of projects. Resourcing and upskilling must be implemented to ensure monitoring is effective and that no delays are caused as a result of increased monitoring.

Furthermore, the resourcing of public bodies will be crucial to the successful delivery of NBB. As a result, the ability to engage with LPAs and Natural Resources Wales (NRW) on NBB at the pre-application stage will be key to avoid suspensions to the examination of DNS applications.

Quantifying biodiversity and how biodiversity targets will be measured is important to measure success and will give developers a clear aim on what is expected. The DEFRA biodiversity net gain metric is currently being used in England to uphold the statutory + 10% Biodiversity Net Gain (BNG). The Scottish Government recently published research on its approach to measuring Biodiversity in Scotland (e.g. around peatland). It is being consulted on but highlights the need for a common approach across the UK. NatureScot are currently reviewing Defra's BNG metric for application in Scotland. We believe a common and streamlined approach, while embedded in a Welsh context, will support alignment across the board. Clear definitions and shared approaches to measuring NBB and BNG will provide an understanding of the expectations on implementation, and better consistency. Commonality in approach also means that finance into nature restoration can be encouraged, creating a wider pool of offsite NBB and BNG providers while mainstreaming nature recovery across borders. The use of a metric and subsequent biodiversity net gain targets will ensure that developers are at the centre of nature recovery in Wales whilst still allowing us to hit Net Zero targets.

New approaches

Effective monitoring, reporting and scrutiny of biodiversity targets is key**.** Therefore, clarity is needed on whose responsibility it is to carry out the monitoring and reporting, how this will be funded and how long monitoring and reporting would take place after habitat restoration. The size, complexity, and cost of the task means that it would be very difficult for the government or local authorities to effectively monitor results themselves without adequate increases in resources. However, this burden should not be placed on industry to undertake all monitoring. Setting monitoring standards and a strategic fund for delivery of biodiversity initiatives could be an option to address some of these areas. Working with industry and ensuring these requirements do not pose as additional obstructions to deploying renewable energy projects in Wales will be important.

A **national strategic approach** to management, mitigation and restoration that goes beyond development site boundaries could add significant value to biodiversity enhancement associated with wind energy projects and tackle the nature and climate crises simultaneously. The approach should recognise that the economic capacity of renewable energy developments can play an essential role in halting and reversing the loss of nature by 2030. PPW Chapter 6 currently discourages off-site measures, preferring instead for HMP to be delivered on-site. Funding targeted regional plans (e.g. NPAP & NCAP) will have a larger impact overall than multiple developments delivering small pockets of unconnected HMP land in potentially sub-optimal on-site locations. A national strategic approach could also facilitate the creation of nature networks and strengthen habitat connectivity across the country, where both local habitat restoration projects and habitat measures as part of renewable energy projects can cooperate to increase ecological connectivity on a larger scale. This is a similar strategy seen in Scotland as part of National Planning Framework 4. Even a hybrid approach of local and national measures could be supported if the right conditions are in place to balance local and national needs. A national pot for biodiversity enhancement is a

proposed option, however the administration of the pot would need careful consideration. A hierarchy could be included, for example, if net benefit for biodiversity can't be delivered on site, then proceed to offsite provision (for example on NRW land) and then finally to paying into a centralised fund. This is already taking place in several English Local Planning Authorities at the local level. Learning could also be taken from existing and in-development funds such as the Marine Recovery Fund, Landscape Recovery Fund and National Habitats Creation Scheme.

Neighbouring countries of England and Scotland appear to be further ahead with regards to policy on biodiversity enhancement and nature-inclusive policies whilst still being attractive places for renewable energy development. There is an opportunity for the Welsh Government and Senedd Committee to learn from our neighbours, halting and reversing nature loss whilst increasing capacity for renewable energy development.

Conclusion

Misaligned policies are already creating unintended consequences impacting the deployment of renewable energy projects and our ability in Wales to decarbonise and move away from the production and use of fossil fuels. Balancing environmental considerations and the need to mitigate climate change can both deliver on the need to reduce carbon emissions and strengthen habitat management and nature restoration as well as biodiversity enhancement and we implore Welsh Government and the Committee to explore ways in which we can make Wales an attractive place to undertake renewable energy development.

We welcome further engagement on our response from the Committee.

Kind regards,

Jess Hooper
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